



## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of the stockholders of **AREIT, INC.** will be held on **Tuesday, April 23, 2024 at 3:00 o'clock in the afternoon** in a fully virtually format via <http://www.ayalagroupshareholders.com/> with the following:

### AGENDA<sup>1</sup>

1. Call to Order
2. Certification of Notice and Quorum
3. Matters for Approval of the Stockholders
  - i) Approval of Minutes of Previous Annual and Special Stockholders' Meetings
  - ii) Annual Report
  - iii) Ratification of the Acts of the Board of Directors and Officers
  - iv) Election of Directors (Including the Independent Directors)
  - v) Appointment of External Auditor and Fixing of its Remuneration
4. Consideration of Such Other Business as may Properly Come before the Meeting
5. Adjournment

Pursuant to the Company's By-Laws, the Chairman, acting on the authority delegated by the Board of Directors during its meeting on November 16, 2023, has approved the conduct of the Annual Stockholders' Meeting in a fully virtual format, hence, stockholders may only attend the meeting by remote communication, by voting *in absentia*, or by appointing the Chairman of the meeting as their proxy.

Only stockholders of record as of **March 21, 2024** are entitled to notice of, and to vote at, this meeting. Stockholders intending to participate by remote communication should notify the Company by email on or before **April 12, 2024**. Stockholders may likewise register online starting on March 27, 2024. Stockholders may only vote electronically or *in absentia* or by proxy subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting of votes electronically and *in absentia* will be set forth in the Information Statement.<sup>2</sup>

Stockholders intending to participate by appointing the Chairman of the meeting as their proxy should submit their duly accomplished proxies on or before **April 12, 2024** to the Office of the Corporate Secretary at 4/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City or by email to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph). Validation of proxies is set for **April 17, 2024 at 9:00 o'clock in the morning**.

Stockholders of record as of March 21, 2024 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before April 17, 2024.<sup>3</sup>

<sup>1</sup> See next page for the explanation and rationale for each agenda item.

<sup>2</sup> Stockholders should notify the Company at [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph) of their preference to receive hard copies of the Information Statement and other ASM materials on or before March 21, 2024.

<sup>3</sup> The inclusion of the proposed agenda item is in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.

All email communications should be sent to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph) on or before the designated deadlines.

Makati City, March 7, 2024.

  
**MA. FLORENCE THERESE DG. MARTIREZ-CRUZ**  
Assistant Corporate Secretary

## **EXPLANATION AND RATIONALE OF AGENDA ITEMS**

### Call to Order

The Chairman will formally open the meeting at approximately 3:00 o' clock in the afternoon.

### Certification of Notice and Quorum (and Rules of Conduct and Procedures)

The Corporate Secretary will certify that written notice for the meeting, together with the Definitive Information Statement, was duly sent to stockholders of record by electronic transmission in accordance with the Company By-laws, and published in the business section of two (2) newspapers of general circulation in online and print format, and that a quorum exists for the transaction of business, in accordance with prevailing rules. The holders of record of the majority of the outstanding capital stock of the Company, who are present by proxy, remote communication or voting in absentia, shall constitute a quorum.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders and attendance through remote communication, the Company has set up a designated online web address which may be accessed by the stockholders to register, attend, and vote on the matters at the meeting.<sup>4</sup> A stockholder participating by remote communication or who votes *in absentia* shall be deemed present for purposes of quorum.

### Matters for Approval of the Stockholders:

#### Approval of Minutes of Previous Annual and Special Stockholders' Meetings

The minutes of the Annual Stockholders' Meeting held on April 26, 2023 and the Special Stockholders' Meeting held on February 12, 2024 are available at the Company website, <https://www.aret.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/b28d6d808a-1683265870/minutes-of-the-2023-annual-stockholders-meeting.pdf> and [https://www.aret.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/ecfe45655b-1708917119/aret-special-stockholders-meeting-minutes - 12february2024.pdf](https://www.aret.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/ecfe45655b-1708917119/aret-special-stockholders-meeting-minutes-12february2024.pdf) respectively. Soft copies of the minutes will be also distributed to the stockholders after their registration for the meeting.

A resolution approving the minutes will be presented to the stockholders and approved by the vote of the stockholders representing at least a majority of the outstanding capital stock voting *in absentia* or voting through the Chairman of the meeting as proxy.

#### Annual Report

The President and Chief Executive Officer will deliver the "Message from the Chairman and President" which provides the highlights of the performance of the Company for the year 2023, including its significant operational and financial performance, milestones and achievements, and the outlook of the Company for the year 2024 and beyond.

The Company's 2023 Integrated Report will contain the "Message from the Chairman and President." A copy of the Integrated Report will be posted on the Company's website, <https://www.aret.com.ph>

The Audited Financial Statement (AFS) as of December 31, 2023 will be presented to the stockholders for their approval. The AFS will be embodied in the Information Statement that may be accessed by the stockholders at the Company's website <https://www.aret.com.ph> and will also be set forth in the Integrated Report. The Audit Committee has recommended to the Board the approval of the AFS, and the Board approved the AFS on February 19, 2024.

A resolution noting the report and approving the AFS will be presented to the stockholders for approval by the affirmative vote of the stockholders representing at least a majority of the outstanding capital stock voting *in absentia* or voting through the Chairman of the meeting as proxy.

#### Ratification of the Acts of the Board of Directors and Officers

The acts of the Board and its Committees were those adopted since the annual stockholders' meeting on April 26, 2023 until April 23, 2024. They include the approval of agreements, projects, investments, treasury-related matters and other matters covered by disclosures to the Securities and Exchange Commission, the Philippine Stock Exchange, and the Philippine Dealing and Exchange Corporation. The acts of the officers

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<sup>4</sup> The detailed instructions pertaining to the URL and the use thereof are provided in the Information Statement.

were those taken to implement the resolutions of the Board or its Committees or in the general conduct of business.

A resolution on this agenda item will be presented to the stockholders for approval by the vote of the stockholders representing at least a majority of the outstanding stock voting *in absentia* or voting through the Chairman of the meeting as proxy.

#### Election of Directors (Including the Independent Directors)

The Corporate Governance and Nomination Committee of the Board would have evaluated and determined that the eight (8) nominees to the Board, including the nominees for independent directors, have all the necessary qualifications to serve as directors and the expertise and competence, individually and collectively, to enable the Board to fulfill its roles and responsibilities and manage the Company to achieve its objective.

The profiles of the candidates to the Board of Directors will be provided in the Information Statement.

#### Appointment of External Auditor and Fixing of its Remuneration

The Audit Committee of the Board will endorse to the stockholders the appointment of PwC Isla Lipana & Co. (Isla Lipana) as the external auditor for the ensuing year as well as its proposed remuneration. The external audit conducts an independent valuation of the Company's financial statements and provides an objective assurance on the accuracy of its financial statements.

The profile of Isla Lipana will be provided in the Information Statement.

A resolution for the appointment of the external auditor, Isla Lipana and the fixing of its remuneration will be presented to the stockholders for adoption by the affirmative vote of stockholders representing a majority of the outstanding capital stock voting *in absentia* or voting through the Chairman of the meeting as proxy.

#### Consideration of Such Other Business as May Properly Come Before the Meeting

The Chairman will open the floor for comments and questions by the stockholders and take up agenda items received from stockholders on or before April 17, 2024 in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Company's internal guidelines.<sup>5</sup>

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<sup>5</sup> SEC Memorandum Circular No. 14, series of 2020 or "Shareholders' Right to Put items on the Agenda for Regular/Special Stockholders' Meetings": (<https://www.sec.gov.ph/mc-2020/mc-no-14-s-2020shareholders-right-to-put-items-on-the-agenda-for-regular-special-stockholders-meetings/>).

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT OF  
AREIT, INC. (the "Registrant", "Company" or "AREIT")  
PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter **AREIT, INC.**

3. Province, country or other jurisdiction of incorporation or organization

**REPUBLIC OF THE PHILIPPINES**

4. SEC Identification Number **CS200613870**

5. BIR Tax Identification Code **006-346-689**

6. Address of principal office **28<sup>th</sup> Floor, Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City 1226**

7. Registrant's telephone number, including area code **(632) 7908 3804**

8. Date, time, and place of the meeting of security holders

**Date** April 23, 2024

**Time** 3:00 pm

**Place** To be conducted virtually through

<http://www.ayalagroupshareholders.com/><sup>6</sup>

9. Approximate date on which the Information Statement is first to be sent or given to security holders

**Date** March 26, 2024

10. In case of Proxy Solicitations

**Name of Person Filing  
the Statement/Solicitor**

**AREIT, Inc.**

**Address and Telephone No.**

**28<sup>th</sup> Floor, Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, 1226  
(632) 7908 3804**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the Revised Securities Act:

a. Shares of Stock as of March 18, 2024

**Common Shares** **2,435,936,543**

b. Amount of Debt Outstanding as of March 18, 2024

**P 3.00 Billion**

<sup>6</sup> Please refer also to Item 20 of this DIS.

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes     No

**1,576,240,780 common shares are listed with the Philippine Stock Exchange ("PSE")<sup>7</sup>**

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<sup>7</sup> The application for listing for the 252,136,383 common shares issued to Ayala Land, Inc. in December 2022 in exchange of assets located in Cebu is currently pending with the PSE, while the application for listing of the 607,559,380 common shares issued to ALI, AyalaLand Malls, Inc., and Northbeacon Commercial Corp. in exchange for assets located in Makati and Pampanga approved by the Securities and Exchange Commission last September 20, 2023 will be filed with the PSE upon issuance of the Certificates Authorizing Registration by the Bureau of Internal Revenue.

## PROXY AND VOTING INSTRUCTION

### 1. IDENTIFICATION

This Proxy is being solicited by **AREIT, INC.**, on and in its behalf, in connection with the Special Stockholders' Meeting of **AREIT, INC.**, to be held on April 23, 2024, at 3:00 o'clock in the afternoon.

### 2. INSTRUCTIONS

The undersigned stockholder of **AREIT, INC.** (the "Company") hereby appoints the Chairman of the meeting of the stockholders, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the annual meeting of the stockholders of the Company on April 23, 2024 and at any of the adjournments thereof for the purpose of acting on the matters stated below.

Please place an "X" in the box below how you wish your votes to be cast in respect of the matter to be taken up during the meeting.

If no specific direction as to voting is given, the votes will be cast for the election of all nominees and for the approval of the resolutions on the matter stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statements and as recommended by the Chairman.

#### Agenda Items

1. Approval of minutes of previous meeting.  
 For    Against    Abstain

2. Annual report.  
 For    Against    Abstain

3. Ratification of the acts of the Board of Directors and Officers.  
 For    Against    Abstain

4. Election of Directors.

Sherisa P. Nuesa \_\_\_\_\_

5. Appointment of PwC Isla Lipana & Co. as the external auditor and fixing of its remuneration  
 For    Against    Abstain

6. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.  
 For    Against    Abstain

	<u>No. of Votes</u>
Anna Ma. Margarita B. Dy _____	
Carol T. Mills _____	
Augusto D. Bengzon _____	
Mariana Zobel de Ayala _____	
Ma. Theresa Marcial-Javier _____	
<i>Independent Directors</i>	
Omar. T. Cruz _____	
Enrico S. Cruz _____	

\_\_\_\_\_  
PRINTED NAME OF STOCKHOLDER

\_\_\_\_\_  
SIGNATURE OF STOCKHOLDER /  
AUTHORIZED SIGNATORY

\_\_\_\_\_  
NUMBER OF SHARES HELD

\_\_\_\_\_  
DATE

A scanned copy of this Proxy and Voting Instruction should be received by the Corporate Secretary at [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph) on or before **April 12, 2024**, the deadline for submission of Proxies. For corporate stockholders, please attach to this Proxy form the Secretary's Certificate on the authority of the signatory to appoint the Proxy and sign this form.

**3. REVOCABILITY OF PROXY**

The Proxy and Voting Instruction may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting. A Proxy and Voting Instruction is also considered revoked if the stockholder registers and votes on the Company's secured online voting system (the "Voting System"). This Proxy and Voting Instruction shall be deemed revoked after the right granted is exercised during the Annual Stockholders' Meeting of the Company on April 23, 2024. Shares represented by an unrevoked Proxy will be voted as authorized by the stockholder.

**4. PERSON MAKING THE SOLICITATION**

The solicitation is made by the Company. No director of the Company has informed the former in writing that s/he intends to oppose an action intended to be taken up by the Company at the Annual Stockholders' Meeting. Solicitation of the proxies shall be made through the use of ordinary mail, electronic means of communication, or personal delivery. The total estimated amount to be spent in connection with the release and sending of the Proxy statements is approximately P20,000.00. Costs for solicitation will be shouldered by the Company.

**5. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

The directors and officers do not have a substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon. The Company has not received any written information from anyone seeking to oppose any action to be taken up in the Annual Stockholders' Meeting of the Company.

**NOTARIZATION OF THIS PROXY IS NOT REQUIRED.**



## INFORMATION REQUIRED IN INFORMATION STATEMENT

### A. GENERAL INFORMATION

#### Item 1. Date, time and place of meeting of security holders (hereafter, the “annual stockholders’ meeting” or “meeting”)

Date	April 23, 2024
Time	3:00 pm
Place	To be conducted virtually through <a href="http://www.ayalagroupshareholders.com/">http://www.ayalagroupshareholders.com/</a> <sup>8</sup>
Principal Office	28 <sup>th</sup> Floor, Tower One and Exchange Plaza Ayala Triangle, Ayala Avenue, Makati City 1226

The Information Statement may be accessed by the Company’s stockholders beginning March 26, 2024 at the Company’s website, [areit.com.ph](http://areit.com.ph).

The enclosed Proxy and Voting Instruction is solicited for and on behalf of the Company for use in connection with the Annual Stockholders’ Meeting of the Company on April 23, 2024.

#### Item 2. Dissenters' Right of Appraisal

Under Sections 41 and 80, Title X of the Revised Corporation Code of the Philippines (“Revised Corporation Code”), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of funds by the Company in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized.

There are no matters or actions to be taken up at the meeting that may give rise to a possible exercise by stockholders of their appraisal rights.

#### Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) No current director or officer,<sup>9</sup> or nominee for election as director, or any of their associates, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.
- (b) No director has informed the Company that he intends to oppose any action to be taken at the annual stockholders’ meeting.

### B. CONTROL AND COMPENSATION INFORMATION

#### Item 4. Voting Securities and Principal Holders Thereof

- (a) Number of Shares Outstanding as of February 29, 2024:

<sup>8</sup> Please also refer to Item 20 of this PIS.

<sup>9</sup> References to directors, officers, Board or Committees are references to directors, officers, Board or Committees of the Company, unless otherwise specified.

Common Shares **2,368,606,573**

**Number of Votes Entitled:** one (1) vote per share

- (b) All stockholders of record as of March 21, 2024 are entitled to receive notice and to vote at the special stockholders' meeting.
- (c) **Manner of Voting**

Article II, Section 7 of the By-Laws of the Company (the "By-Laws") provide:

"Section 7 - Unless otherwise provided by law, each stockholder entitled to vote may vote in person, through remote communication, *in absentia*, electronically or otherwise or be represented by proxy at any regular or special stockholders' meeting, subject to compliance with rules and regulations as may be issued by the Securities and Exchange Commission from time to time. At all meetings of the stockholders, all elections and all questions, except in cases where hereunder specified or where other provision is made by statute or by the Articles of Incorporation, shall be decided by the majority vote of the stockholders present in person, through remote communication, *in absentia*, electronically or otherwise or by proxy, a quorum being present. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him. *(as amended in a meeting of the Board of Directors and stockholders on September 26, 2018; and as further amended in a meeting of the Board of Directors on October 22, 2020 and later ratified on June 14, 2021, pursuant to the delegation by the stockholders to the Board of Directors of the power to amend the By-Laws on 23 April 2021.)*"

On November 16, 2023, the Board of Directors of the Company, delegated to the Chairman the authority to approve and authorize the conduct of the meeting in a fully virtual format, including all the necessary and related arrangements, and the internal guidelines or procedures on participation in meetings by remote communication and voting *in absentia* in compliance with the requirement of the Securities and Exchange Commission and in accordance with Sections 57 and 23 of the Revised Corporation Code. Stockholders may vote electronically *in absentia* or by filling out the electronic ballot using the online web address, <http://www.ayalagroupshareholders.com/>, subject to validation procedures. Please refer to Annex A (III) for the detailed instruction on electronic voting and participation in meeting through remote communication. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

**Method of Voting:** Straight and Cumulative Voting

In all items for approval, each share of stock entitles its registered owner as of the Record Date to one (1) vote. As explained in Item 20 below, stockholders will only be allowed to vote by appointing the Chairman of the meeting, or his alternates, as their proxy or electronically via remote communication or *in absentia*.

In the case of the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

A stockholder may vote electronically *in absentia* or through remote communication using the online web address, <http://www.ayalagroupshareholders.com/>,<sup>10</sup> subject to validation

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<sup>10</sup> A stockholder may vote through <http://www.ayalagroupshareholders.com/> for the special stockholders' meeting of the Company to be held on February 12, 2024.

procedures. A stockholder voting electronically *in absentia* or through remote communication shall be deemed present for purposes of quorum.

Proxies and Voting Instruction shall be in writing, signed and filed, by the stockholders, in the form provided in this DIS, and shall be received at 4/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City or by email to the Corporate Secretary at [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph) on or before April 12, 2024.

All votes will be counted and tabulated by the Proxy Validation Committee and the results will be validated by an independent third party.

(d) **Security Ownership of Certain Record and Beneficial Owners and Management**

i. **Security Ownership of Record and Beneficial Owners of more than 5% as of March 15, 2024:**

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of total outstanding shares)
Common	Ayala Land, Inc. <sup>11</sup> 31F, Tower One and Exchange Plaza Ayala Triangle Ayala Ave., Makati City	Ayala Land, Inc. <sup>12</sup>	Filipino	1,003,837,015	42.3809%
Common	PCD Nominee Corporation (Filipino) <sup>13</sup> G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers <sup>14</sup>	Filipino	901,875,449	38.0762%
Common	AyalaLand Malls, Inc. <sup>15</sup>	AyalaLand Malls, Inc. <sup>16</sup>	Filipino	287,186,771	12.1247%

ii. **Security Ownership of Directors and Management (Executive Officers) as of March 15, 2024:**

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares)
<b>Directors</b>				
Common	Bernard Vincent O. Dy	(direct) 1	Filipino	0.0000%
Common	Augusto D. Bengzon	(direct) 1	Filipino	0.0000%
Common	Anna Ma. Margarita B. Dy	(direct) 1	Filipino	0.0000%
Common	Carol T. Mills	(direct & indirect) 140,001	Filipino	0.0059%
Common	Enrico S. Cruz	(direct & indirect) 2,625,001	Filipino	0.1108%
Common	Omar T. Cruz	(direct & indirect) 962,901	Filipino	0.0407%
Common	Sherisa P. Nuesa	(indirect) 242,900	Filipino	0.0103%
Common	Mariana E. Zobel de Ayala	(direct) 1	Filipino	0.0000%
<b>CEO and Most Highly Compensated Executive Officers</b>				
Common	Carol T. Mills	(direct & indirect) 140,001	Filipino	0.0059%
Common	Augusto D. Bengzon	(direct) 1	Filipino	0.0000%

<sup>11</sup> Ayala Land, Inc. ("ALI") is the principal stockholder of the Company.

<sup>12</sup> Under the By-Laws of ALI and the Revised Corporation Code, the ALI Board has the power to decide how ALI's shares are to be voted.

<sup>13</sup> PCD is not related to the Company.

<sup>14</sup> Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The beneficial owner, with certification of ownership of shares from the PCD Participant, has the power to vote in absentia or through the Chairman of the meeting as proxy. Out of the 902,198,169 common shares registered in the name of PCD Nominee Corporation (Filipino), 222,634,800 or 9.3994% of the outstanding capital stock is for the account of the Government Service Insurance System (GSIS). GSIS has not coordinated with the Company for the submission of SEC Form 18-A for beneficially owning more than 5% of the Company's common shares.

<sup>15</sup> AyalaLand Malls, Inc. is an affiliate of AREIT, Inc. for having ALI as their common stockholder owning at least 10% of their outstanding capital stock.

<sup>16</sup> The Board of AyalaLand Malls, Inc. has the power to decide how the shares are to be voted.

Common	Anna Ma. Margarita B. Dy	(direct) 1	Filipino	0.0000%
Common	Ma. Teresa R. Famy	(indirect) 22,000	Filipino	0.0009%
<b>Other Executive Officers</b>				
Common	Maphilindo S. Tandoc	0	Filipino	0.0000%
Common	Rowena P. Libunao	0	Filipino	0.0000%
Common	Ma. Florence Therese dG. Martinez-Cruz	(indirect) 1,700	Filipino	0.0001%
<b>All Directors and Officers as a group</b>		<b>3,994,507</b>		<b>0.1686%</b>

No director or member of the Company's management owns 2.0% or more of the outstanding capital stock of the Company.

iii. **Voting Trust Holders of 5% or more**

The Company knows of no persons holding more than 5% of common shares under a voting trust or similar agreement.

iv. **Changes in Control**

No change of control in the Company has occurred since the beginning of its last fiscal year.

(e) **Foreign ownership level as of February 29, 2024:**

Security	Total Outstanding Shares	Shares Owned By Foreigners	Percent of Ownership
Common Shares	2,368,606,573	81,843,231	3.46%

**Item 5. Directors and Executive Officers**

Article III, Section 2 of the By-Laws provides in part:

“Section 2. Number and Term of Office. The Board of Directors shall have eight (8) members who shall be elected by the stockholders entitled to vote at the annual stockholders’ meeting, and shall hold office for one (1) year and until their successors are elected and qualified in accordance with these By-laws. (and as further amended in a meeting of the Board of Directors on October 22, 2020 and later ratified on June 4, 2021, pursuant to the delegation by the stockholders to the Board of Directors of the power to amend the By-Laws on 23 April 2021.)” xxx

The record of attendance of the directors at the meetings of the Board of Directors (the “Board”) held in 2023 is as follows:

Directors	No. of Meetings Attended/Held <sup>17</sup>	Percent Present
Jose Emmanuel H. Jalandoni <sup>18</sup>	2/2	100%
Anna Ma. Margarita B. Dy <sup>19</sup>	6/6	100%
Bernard Vincent O. Dy	8/8	100%
Carol T. Mills	8/8	100%
Augusto D. Bengzon	8/8	100%
Mariana Zobel de Ayala	8/8	100%
Omar T. Cruz	8/8	100%
Enrico S. Cruz	8/8	100%
Jessie D. Cabaluna <sup>20</sup>	2/2	100%
Sherisa P. Nuesa <sup>21</sup>	6/6	100%

<sup>17</sup> In 2023 and during the incumbency of the directors.

<sup>18</sup> Served as a Non-Executive Director until April 26, 2023.

<sup>19</sup> Served as a Non-Executive Director on April 26, 2023.

<sup>20</sup> Served as an Independent Director until April 26, 2023.

<sup>21</sup> Served as an Independent Director on April 26, 2023.

The non-executive directors held separate meetings on August 14, 2023 and November 16, 2023. All the non-executive directors were present in these meetings.

The Management Committee members and other officers, unless removed by the Board, shall serve as such until their successors are elected or appointed.

**(a) Information required of Directors and Executive Officers**

**i. Directors and Executive Officers**

The following persons, who constitute the final list of candidates, presented and approved by the Corporate Governance and Nomination Committee (composed of Sherisa P. Nuesa as Chairperson, and Omar T. Cruz and Enrico S. Cruz as members), have been nominated to the Board for the ensuing year and have accepted their nomination:

<b>Name</b>	<b>Age (as of 18 March 2024)</b>	<b>Citizenship</b>	<b>Current Position</b>	<b>Period of Service as a Director</b>
Anna Ma. Margarita B. Dy	53	Filipino	Chairman of the Board, Director	1 year
Carol T. Mills	50	Filipino	President, Chief Executive Officer, Director	9 years <sup>22</sup>
Augusto D. Bengzon	60	Filipino	Director	4 years
Mariana Zobel de Ayala	34	Filipino	Director	2 years
Maria Theresa Marcial-Javier	53	Filipino	Nominated as Director	New
Omar T. Cruz	69	Filipino	Independent Director	4 years
Enrico S. Cruz	66	Filipino	Independent Director	3 years
Sherisa P. Nuesa	69	Filipino	Independent Director	1 year

The nominees were formally nominated by a shareholder of the Company, Froilan D. Lakip, who owns 1,000 common shares or 0.0000042% of the total voting shares of the Company and who is not related to any of the nominees for independent directors. Messrs. Omar T. Cruz and Enrico S. Cruz, and Ms. Sherisa P. Nuesa are nominated as independent directors. Except for Ms. Maria Theresa Marcial-Javier, all other nominees are incumbent directors of the Company. The Corporate Governance and Nomination Committee evaluated the qualifications of the nominees and prepared the final list of nominees in accordance with SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and the By-Laws of the Company.

Only nominees whose names appear in the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

Ms. Maria Theresa Marcial-Javier is being nominated as a non-executive director of the Company for the first time. Messrs. Omar T. Cruz, Enrico S. Cruz, and Augusto D. Bengzon, and Mmes. Anna Ma. Margarita B. Dy, Mariana Zobel de Ayala, and Sherisa P. Nuesa have served as directors of the Company for more than one (1) year. Ms. Carol T. Mills has served for more than five (5) years.

<sup>22</sup> Inclusive of period served as Director, President, and Chief Executive Officer prior to registration of the Company as a publicly-listed company in 2020.

None of the directors and officers of the Corporation is connected with any Philippine government agency or in any of its instrumentality. Mr. Augusto D. Bengzon, a Director of the Corporation, is a Trustee of the Philippine National Police (“PNP”) Foundation, Inc.<sup>23</sup> There is no employer-employee relationship between the PNP and Mr. Bengzon and the latter does not receive any compensation from the PNP.

A summary of the qualifications of the incumbent directors, nominees for directors for election at the annual stockholders’ meeting and incumbent officers is set forth in Annex “B”. The certifications on the qualifications of independent directors are collectively attached hereto as Annex “B-1.”

The officers of the Company are elected annually by the Board during its organizational meeting, or such other time whenever a vacancy by reason of death, resignation, disqualification, or any other cause occurs.

**ii. Significant employees**

The Company currently does not have employees. Its entire workforce, including its officers are seconded from Ayala Land, Inc., or its subsidiaries. Nevertheless, the entire workforce is considered significant, and is expected to work together to achieve the Company’s goals and objectives.

**iii. Family Relationships**

There are no family relationships either by consanguinity or affinity up to the fourth civil degree among our Directors, executive officers, and shareholders.

**iv. Involvement in Certain Legal Proceedings**

None of the directors or executive officers is involved in any material pending legal proceedings in any court or administrative agency.

As of December 31, 2023, the Company is not involved in any litigation regarding an event which occurred during the past five (5) years that they consider material.

**(b) Certain Relationships and Related Transactions**

The Company, in its regular conduct of business, entered into transactions with related parties consisting of lease of office spaces, advances, supply agreements, management, marketing and leasing, and administrative service agreements. These are based on terms agreed by the parties and made on an arm’s length basis.

All related party transactions of the Company have to be approved by a majority of the entire membership of the Board of Directors, including the unanimous vote of all independent directors of the REIT. All related party transactions of the Company to date have been approved by the Risk Management and Related Party Transactions Review Committee of the Company.

The table below sets out the principal ongoing transactions of the Company with and the fees recognized and paid to related parties as of December 31, 2023:

<b>Related Parties</b>	<b>Nature of Transaction</b>	<b>Value of the Transaction</b>
Direct Power Services, Inc.	Retail Electricity Supply agreement to meet the electricity requirements of the facilities of Solaris One,	Varying depending on supply charges computation and adjustments. Electricity expense incurred amounted to ₱460.42 million and ₱390.40 million,

<sup>23</sup> PNP Foundation is a private foundation, and not a government agency or connected to the government in any way.

<b>Related Parties</b>	<b>Nature of Transaction</b>	<b>Value of the Transaction</b>
	Ayala North Exchange, McKinley Exchange Corporate Center, 30 <sup>th</sup> Corporate Center, Vertis Towers 1 to 3, eBloc Towers 1 to 4, and ACC Tower	for the years ended December 31, 2023 and 2022 (see Note 18 of Audited FS).
Ayala Property Management Corporation	Property management agreements for the facilities management	Management fee recognized amounted to ₱88.99 million and ₱32.66 million, for the years ended December 31, 2023 and 2022 (see Note 18 of Audited FS).
Ayala Land, Inc.	Contract of Lease for McKinley Exchange Property	Initial monthly rent of ₱2,733,078.00 per month, subject to annual escalation of 5%. In 2023, the Company paid ₱40.62 million (see Notes 18 of Audited FS).
Ayala Land, Inc.	Land lease agreements for Solaris, Teleperformance Cebu, Vertis Offices and Mall, Bacolod Ayala Northpoint, eBloc Towers 1 to 4, ACC Tower, Tech Tower, Glorietta 1 and 2 Offices and Mall, and One Ayala Office Towers	The lease generally provides for a monthly rent based on a certain percentage of gross rental income. The Company recognized land lease amounting to ₱421.59 million and ₱156.09 million in 2023 and 2022, respectively (see Note 16 and 18 of the Audited FS)
AREIT Fund Managers, Inc.	Fund Management Agreement for fund management services	<p>The Company recognized management fee expense amounting to ₱261.27 million in 2023 and ₱198.52 million 2022 (see Note 18 of Audited FS), computed based on 0.10% of the Deposited Property Value (as defined in the Fund Management Agreement) plus 3.5% of the EBITDA before deduction of management fees and after deducting interest expense from lease liabilities for the relevant period. Additional fees, if applicable: 1% of the acquisition price for every acquisition made.</p> <p>No acquisition fees were paid in 2023.</p> <p>0.50% of the sales price for every property divested.</p> <p>In 2023, the Company recognized a divestment fee amounting to ₱0.19 million, related to the sale of Alabang FGU condo units.</p> <p>The total fees paid to AREIT Fund Manager is within the limit provided under the Revised REIT IRR and does not exceed one percent (1%) of the Net Asset Value of the assets under its management.</p>
AREIT Property Managers, Inc.	Property Management Agreement for property	The Company recognized management fee expense amounting

<b>Related Parties</b>	<b>Nature of Transaction</b>	<b>Value of the Transaction</b>
	management services starting August 13, 2020	<p>to ₱190.18 million for year 2023 and ₱166.90 million in 2022 (see Note 18 of Audited FS), computed based on 3% of Gross Rental Income plus Interest Income from finance lease for the relevant period (as defined in the Property Management Agreement) plus 2% of the EBITDA before deduction of Management fees of the Company.</p> <p>The total fees paid to AREIT Property Manager is within the limit provided under the Revised REIT IRR and does not exceed one percent (1%) of the Net Asset Value of the assets under its management.</p>
HLC Development Corporation	Land lease agreement for the land lease of ANE properties	The lease generally provides for a monthly rent based on a certain percentage of gross rental income. The Company recognized land lease amounting to ₱71.98 million and ₱75.62 million for year 2023 and 2022 (see Notes 16 and 18 of Audited FS)
Alveo Land Corp.	Contract of Lease dated January 5, 2018 for office space in Solaris One	<p>The Company recognized rental income amounting to ₱5.27 million and ₱5.05 million in 2023 and 2022 (see Note 18 of the Audited FS).</p> <p>AREIT, as lessor, did not pay any fees to the lessee.</p>
Makati North Hotel Ventures, Inc.	Contract of Lease dated February 6, 2019 (for 100% of the serviced residences portion of Ayala North Exchange)	<p>Year 1 to 5 - Monthly fixed rent of ₱500.00 per sqm of GFA plus P5,000.00 per parking slot.</p> <p>Year 6 onwards- Monthly fixed rent of ₱500.00 per sqm of GFA plus P5,000.00 per parking slot plus 5% of Total Hotel Revenues if Total Hotel Revenues exceed ₱500 million or 10% of Total Hotel Revenues if Total Hotel Revenues exceed ₱1 billion.</p> <p>The Company recognized interest income from finance lease receivables amounting to ₱148.16 million and ₱149.23 million in 2023 and 2022 (see Notes 16 and 18 of the Audited FS).</p> <p>AREIT, as lessor, did not pay any fees to the lessee.</p>
Bank of the Philippine Islands	Contract of Lease dated November 28, 2016 (0.23% of total gross leasable area in Solaris One)	The Company recognized rental income amounting to ₱73.60 million and ₱170.31 million in 2023 and 2022, respectively (see Note 18 of the Audited FS).



<b>Related Parties</b>	<b>Nature of Transaction</b>	<b>Value of the Transaction</b>
	Contract of Lease dated April 30, 2019 (10.5% of total gross leasable area in Ayala North Exchange)	AREIT, as lessor, did not pay any fees to the lessee.
BPI Capital Corporation	Contract of Lease dated March 1, 2019 (1.3% of total gross leasable area in Ayala North Exchange)	The Company recognized rental income amounting to ₱7.98 million in 2023 (see Note 18 of the Audited FS).  AREIT, as lessor, did not pay any fees to the lessee.
First Gateway Real Estate Corp.	Contract of Lease dated May 29, 2019 for office space in Ayala North Exchange	The Company recognized rental income amounted to ₱11.91 million and ₱11.13 million in 2023 and 2022 (see Note 18 of the Audited FS).  AREIT, as lessor, did not pay any fees to the lessee.
Amaia Land Corp.	Contract of Lease for office space in Alabang FGU	Rental income recognized amounted to ₱5.62 million and ₱5.26 million in 2023 and 2022 (see Note 18 of the Audited FS).  AREIT, as lessor, did not pay any fees to the lessee.
Amicassa Process Solutions, Inc.	Contract of Lease for office space in Tech Tower (3.75% of total gross leasable area Tech Tower)	Rental income recognized amounted to ₱4.06 million in 2023.  AREIT, as lessor, did not pay any fees to the lessee.
Integrated Micro-Electronics, Inc.	Contract of Lease for Laguna Technopark Lots	Monthly rent of ₱60.00 per sq. m. starting January 1, 2020, exclusive of VAT, subject to annual escalation of 5% commencing on January 1, 2021.  In 2023 and 2022, the Company received payment amounting to ₱81.88 million, and ₱77.93 million respectively.
North Eastern Commercial Corp.	Building Lease for Ayala Malls The 30 <sup>th</sup> and Vertis Mall	Rent shall be the higher amount between the (a) fixed rent as stated in the Contract of Lease plus six percent (6%) of rental income; or (b) Minimum Guaranteed Rent as set forth in the schedule indicated in the Contract of Lease; provided that, such fixed rent and minimum guaranteed rent shall be subject to an escalation rate of 3% every three (3) years.  The Company recognized interest income from finance lease receivables amounting to ₱73.26 million and ₱73.09 million in 2023 and 2022 (see Notes 16 and 18 of the Audited FS).

<u>Related Parties</u>	<u>Nature of Transaction</u>	<u>Value of the Transaction</u>
		AREIT, as lessor, did not pay any fees to the lessee.
North Eastern Commercial Corp.	Contract of Lease for a space of The 30th Corporate Center and Vertis North Corporate Center 1	Rental income recognized amounted to ₱7.12 million and ₱2.11 million in 2023 and 2022, respectively.  AREIT, as lessor, did not pay any fees to the lessee.
Ayalaland Malls, Inc.	Building Lease for Glorietta 1 & 2 Mall	The lease provides rates based on a fixed rent and shall be subject to an escalation rate of 2.5% per annum.  The Company recognized interest income from finance lease receivables amounting to ₱139.14 million in 2023 (see Notes 16 and 18 of the Audited FS).
Northbeacon Commercial Corp.	Building Lease for Marquee Mall	The lease provides rates based on a fixed rent and shall be subject to an escalation rate of 2.5% per annum.  The Company recognized interest income from finance lease receivables amounting to ₱90.27 million in 2023 (see Notes 16 and 18 of the Audited FS).
Northbeacon Commercial Corp.	Land lease for Marquee Mall	The lease generally provides for a monthly rent based on a certain percentage of gross rental income. Total outstanding payable amounted to ₱4.97 million for the year ended December 31, 2023 (see Note 18 of Audited FS).
Ceci Realty, Inc.	Land leases for One and Two Evotech	<i>For One Evotech</i> ₱29.43 per sq.m. per month (VAT-exclusive) from June 1, 2021 to September 30, 2027, subject to 5% escalation per annum; and beginning October 1, 2037 until September 30, 2058, monthly rent of ₱170.36 per sq.m. (VAT-exclusive), subject to an escalation of 5% per annum.  <i>For Two Evotech</i> ₱32.45 per sq.m. (VAT-exclusive) from rental commencement date, subject to escalation rate of 5% per annum for the first five years of the lease; (b) monthly rent for the succeeding years up to April 12, 2040 will be at 4% of AREIT's Gross Rental Income for the building or fixed land lease rate per sq.m., whichever is higher; (c) from April 13, 2040 to April 12, 2-58, fixed land lease rate of ₱197.10 per sq.m. (VAT-exclusive),

<u>Related Parties</u>	<u>Nature of Transaction</u>	<u>Value of the Transaction</u>
		subject to an escalation rate of 5% per annum.
		In 2023, the Company paid rent amounting to ₱11.04 million.
Ceci Realty, Inc.	Electricity of Evotech	Total outstanding payable amounted to ₱27.44 million and ₱25.36 million, for the years ended December 31, 2023 and 2022 (see Note 18 of Audited FS).
Manila Water Company, Inc.	Water Supply agreement to meet the water requirements of the facilities of various properties	Varying depending on supply charges computation and adjustments. Water expense incurred amounted to ₱71.16 million and ₱38.21 million, for the years ended December 31, 2023 and 2022 (see Note 18 of Audited FS).
Manila Water Philippine Ventures, Inc.	Water Supply agreement to meet the water requirements of the facilities of various properties	Varying depending on supply charges computation and adjustments. Total outstanding payable amounted to ₱4.04 million for the year ended December 31, 2023 (see Note 18 of Audited FS).
Aprisa Business Process Solutions, Inc.	Accounting shared services rendered to the Company	Total outstanding payable amounted to ₱1.57 million for the year ended December 31, 2023 (see Note 18 of Audited FS).
Philippine Integrated Energy Solutions, Inc.	Aircon DCS fixed charges and chilled water charges for ACC tower	Total outstanding payable amounted to ₱14.64 million for the year ended December 31, 2023 (see Note 18 of Audited FS).
Cebu District Property Enterprise, Inc.	Loans covered by a Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱137.09 million (see Note 18 of Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Arvo Commercial Corporation	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱123.13 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Arca South Hotel Ventures	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱64.75 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.

<b>Related Parties</b>	<b>Nature of Transaction</b>	<b>Value of the Transaction</b>
Crans Montana Property Holdings Corporation	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱25.50 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
Capitol Central Commercial Ventures Corp.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱118.50 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
ALI Makati Hotel Property Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱2.07 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
Soltea Commercial Corp.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱5.20 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
Laguna Technopark, Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱117.66 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
AyalaLand Logistics Holdings Corp.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱82.53 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
ALI Triangle Hotel Ventures, Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱88.45 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
Ayala Malls Zing Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱31.45 million (see Note 18 of the Audited FS).

<b>Related Parties</b>	<b>Nature of Transaction</b>	<b>Value of the Transaction</b>
		AREIT, as lender, did not pay any fees to the borrower.
Cagayan De Oro Gateway Corporation	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱0.54 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Cavite Commercial Towncenter, Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱234.42 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
HLC Development Corporation	Loans covered by Promissory Note	Total outstanding receivable balance as of Dec 31, 2023 amounted to ₱29.27 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Bay City Commercial Ventures Corp.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱38.15 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Solinea Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted ₱145.15 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Portico Land Corp.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted ₱179.97 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Avida Land Corp.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted ₱1.43 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.

<b>Related Parties</b>	<b>Nature of Transaction</b>	<b>Value of the Transaction</b>
AyalaLand Estates, Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted ₱0.66 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
Circuit Makati Hotel Ventures, Inc.	Loans covered by Promissory Note	Total outstanding receivable as of December 31, 2023 amounted to ₱47.55 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
Airswift Transport, Inc.	Loans covered by Promissory Note	Total outstanding receivable as of December 31, 2023 amounted to ₱18.51 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
AyalaLand Malls, Inc.	Loans covered by Promissory Note	Total outstanding receivable as of December 31, 2023 amounted to ₱35.15 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
Amaia Land Corp.	Loans covered by Promissory Note	Total outstanding receivable as of December 31, 2023 amounted to ₱115.07 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
Westview Commercial Ventures Corp.	Loans covered by Promissory Note	Total outstanding receivable as of December 31, 2023 amounted to ₱2.08 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
Ten Knots Development Corporation	Loans covered by Promissory Note	Total outstanding receivable as of December 31, 2023 amounted to ₱19.36 million (see Note 18 of the Audited FS).  AREIT, as lender, did not pay any fees to the borrower.
Ten Knots Philippines, Inc.	Loans covered by Promissory Note	Total outstanding receivable as of December 31, 2023 amounted to ₱201.83 million (see Note 18 of the Audited FS).

<b>Related Parties</b>	<b>Nature of Transaction</b>	<b>Value of the Transaction</b>
		AREIT, as lender, did not pay any fees to the borrower.
Ayala Property Management Corporation	Loans covered by Promissory Note	Total outstanding receivable as of December 31, 2023 amounted to ₱1.76 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Econorth Resorts Ventures, Inc.	Loans covered by Promissory Note	Total outstanding receivable as of December 31, 2023 amounted to ₱0.12 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Accendo Commercial Corp.	Loans covered by Promissory Note	Total outstanding receivable as of December 31, 2023 amounted to ₱126.17 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Alveo Land Corp.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱0.63 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Crimson Field Enterprises Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱23.25 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Greenhaven Property Ventures, Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱1.61 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
North Triangle Hotel Ventures, Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱1.68 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Southcrest Hotel Ventures, Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to

<b>Related Parties</b>	<b>Nature of Transaction</b>	<b>Value of the Transaction</b>
		<p>₱10.15 million (see Note 18 of the Audited FS).</p> <p>AREIT, as lender, did not pay any fees to the borrower.</p>
Ecosouth Hotel Ventures Inc.	Loans covered by Promissory Note	<p>Total outstanding receivable balance as of December 31, 2023 amounted to ₱41.38 million (see Note 18 of the Audited FS).</p> <p>AREIT, as lender, did not pay any fees to the borrower.</p>
Sicogon Island Tourism Estate Corp.	Loans covered by Promissory Note	<p>Total outstanding receivable balance as of December 31, 2023 amounted to ₱219.55 million (see Note 18 of the Audited FS).</p> <p>AREIT, as lender, did not pay any fees to the borrower.</p>
Makati North Hotel Ventures, Inc.	Loans covered by Promissory Note	<p>Total outstanding receivable balance as of December 31, 2023 amounted to ₱14.64 million (see Note 18 of the Audited FS).</p> <p>AREIT, as lender, did not pay any fees to the borrower.</p>
Ecozone Power Management, Inc.	Loans covered by Promissory Note	<p>Total outstanding receivable balance as of December 31, 2023 amounted to ₱143.16 million (see Note 18 of the Audited FS).</p> <p>AREIT, as lender, did not pay any fees to the borrower.</p>
LCI Commercial Ventures Inc.	Loans covered by Promissory Note	<p>Total outstanding receivable balance as of December 31, 2023 amounted to ₱115.37 million (see Note 18 of the Audited FS).</p> <p>AREIT, as lender, did not pay any fees to the borrower.</p>
Unity Realty & Development Corporation	Loans covered by Promissory Note	<p>Total outstanding receivable balance as of December 31, 2023 amounted to ₱4.00 million (see Note 18 of the Audited FS).</p> <p>AREIT, as lender, did not pay any fees to the borrower.</p>
Leisure and Allied Industries Phils. Inc.	Loans covered by Promissory Note	<p>Total outstanding receivable balance as of December 31, 2023 amounted to ₱15.50 million (see Note 18 of the Audited FS).</p>



<u>Related Parties</u>	<u>Nature of Transaction</u>	<u>Value of the Transaction</u>
		AREIT, as lender, did not pay any fees to the borrower.
North Triangle Depot Commercial Corp	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱135.53 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Nuevocentro, Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱3.58 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.
Primavera Towncentre, Inc.	Loans covered by Promissory Note	Total outstanding receivable balance as of December 31, 2023 amounted to ₱26.22 million (see Note 18 of the Audited FS).
		AREIT, as lender, did not pay any fees to the borrower.

In a special meeting held on February 12, 2024 for such purpose, the stockholders approved the issuance of 841,259,412 primary common shares (the "Shares") to Ayala Land, Inc. ("ALI"), Greenhaven Property Ventures, Inc. ("Greenhaven"), Cebu Insular Hotel Co., Inc. ("Cebu Insular") (Greenhaven and Cebu Insular are hereinafter referred to as "Subsidiaries"), and Buendia Christiana Holdings Corp. ("BCHC")<sup>24</sup> in exchange for four (4) commercial buildings located in Ayala Center Makati and Ayala Center Cebu, and a 276-hectare parcel of industrial land located in Zambales, with an aggregate value of ₱28,602,820,008.00 (the "Properties") ("Property-for-Share Swap Transaction"), independently evaluated and recommended to the Company by AREIT Fund Managers, Inc. ("AFMI") under a property-for-share swap with an issue price of ₱34.00 per share ("Transaction Price"), set at a 3.75% premium over the thirty (30)-day volume weighted average price ("30-day VWAP") or the Market Price<sup>25</sup> of ₱32.77, and as validated by a fairness opinion issued by FTI Consulting Philippines, Inc. ("FTI Consulting"). The properties to be infused have been evaluated by AFMI and have been appraised by the Company's property appraiser, Cuervo Appraisers, Inc. ("Cuervo"). The Property-for-Share Swap Transaction is subject to regulatory approvals which will be applied for in due course.

No other transaction, without proper disclosure, was undertaken by the Company in which any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Company's outstanding shares (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest.

AREIT employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management.

<sup>24</sup> Buendia Christiana Holdings Corp. ("BCHC") is a wholly-owned subsidiary of ACEN Corporation (PSE: ACEN). ACEN is 58.07% indirectly owned by Ayala Corporation and AREIT, Inc.'s Sponsor, Ayala Land, Inc., is 51.01% owned by Ayala Corporation, as of 31 December 2023.

<sup>25</sup> **Market Price** means the volume weighted average of the closing price for a period of thirty (30) trading days prior to the approval of the transaction (PSE Consolidated Listing and Disclosure Rules, Rule V, Section 3, paragraph (a)). Transaction date refers to the approval of the Board of Directors when issue price was set, or the meeting of the Board of Directors on 07 March 2023.

Material related party transactions are reviewed and approved by the Risk Management and Related Party Transactions Review Committee in accordance with the Company's Related Party Transactions Policy.

**(c) Ownership Structure and Parent Company**

As of February 29, 2024, Ayala Land, Inc., is the majority shareholder and Sponsor of AREIT owning 42.38% of the total outstanding voting shares of the Company.

AyalaLand Malls, Inc., Northbeacon Commercial Corporation, and Westview Commercial Ventures Corp., 100%-owned subsidiaries of ALI, respectively own 12.12%, 2.34%, and 1.58% of the total outstanding voting shares of the Company as of February 29, 2024.

**(d) Resignation of Directors**

No director has resigned or declined to stand for re-election for the Board due to any disagreement with the Company relative to the Company's operations, policies, and practices.

**Item 6. Compensation of Directors and Executive Officers**

**(a) Executive Compensation**

Name and Principal Position	Year	Salary	Other Variable Pay
		(in millions)	
Carol T. Mills <i>President &amp; CEO</i>			
Ma. Teresa R. Famy, <i>Treasurer &amp; CFO</i>			
Rowena P. Libunao, <i>Chief Audit Executive</i>			
Maphilindo S. Tandoc, <i>Chief Risk Officer</i>			
CEO & Most Highly Compensated Executive Officers	Actual 2022	₱10.39	*₱2.68
	Actual 2023	₱11.55	*₱4.48
	Projected 2024	₱11.64	₱4.05
All other officers** as a group unnamed	Actual 2022	₱4.16	₱0.81
	Actual 2023	₱3.94	₱1.37
	Projected 2024	₱2.25	₱0.65

\* *Exclusive of Stock Option exercise.*

\*\* *Managers and up.*

The executive officers are all seconded from ALI, and they receive no compensation, salary, or per diem from the Company. The amounts stated above cover the compensation of the executive officers of AREIT as secondees from ALI. Other variable pay paid to the officers by ALI covers bonuses. The total annual compensation of the President and top five highly compensated executives amounted to ₱13.07 million in 2022, and ₱16.03 million in 2023. The projected total annual compensation of the President and top five highly compensated executives for 2024 is projected at ₱15.69 million.

The total annual compensation paid to all executive officers was all paid in cash.

**(b) Compensation of Directors**

Article III, Section 12 of the By-Laws provides:

“Section 12 – By resolution of the Board of Directors, each director, may receive a reasonable per diem allowance for his attendance to each meeting of the Board of Directors. Any additional compensation, other than per diems, to be given to the members of the Board of Directors shall be subject to approval by stockholders representing majority of the outstanding capital stock.

A director, except an independent director, shall not be precluded from serving the Corporation in any other capacity such as an officer, agent or otherwise, and from receiving compensation thereof.

The amount of the annual compensation of all directors and principal officers of the Corporation shall be fixed subject to the provision of the REIT Act and other applicable laws, rules, and regulations. No director shall be involved in the determination of his own per diem or compensation during his incumbent term.”

**i. Standard Arrangement (Current Compensation)**

Other than payment of reasonable per diem of ₱40,000 for the independent directors for every Board meeting and ₱20,000 for every committee meeting, there are no standard arrangements pursuant to which directors of the Company are compensated, directly or indirectly, for any services provided as director.

In 2023, the following independent directors of the Corporation received net compensation, as follows:

<b>Director</b>	<b>Per Diem</b>	<b>Total</b>
Omar T. Cruz	500,000.00	500,000.00
Enrico S. Cruz	480,000.00	480,000.00
Sherisa P. Nuesa	280,000.00	280,000.00
Jessie Cabaluna*	120,000.00	120,000.00

\*served as Director until April 26, 2023.

**ii. Other Arrangement**

There are no other arrangements pursuant to which any of the directors of the Company is compensated, directly or indirectly, for any service provided as a director.

**(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements**

The above-named executive officers are covered by letters of appointment stating their respective job functionalities, among others.

**(d) Warrants and Options Outstanding: Repricing**

There are no outstanding warrants or options in connection with the shares of the Company held by any of the directors or executive officers.

**Item 7. Independent Public Accountants**

- (a)** The principal accountant and external auditor of the Company for the ensuing fiscal year, 2024 and recommended for appointment of the stockholders during the annual stockholders meeting is the accounting firm of Isla Lipana & Co. (PwC Philippines) (“Isla Lipana”).
- (b)** Isla Lipana acted as the principal accountant of the Company for the most recently completed fiscal year.

Pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Company has engaged Isla Lipana as external auditor, and Ms. Ruth F. Blasco was the Partner-in-Charge for the audit year 2023.

- (c) Representatives of Isla Lipana for the current year are expected to participate at the annual stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Pursuant to the General Requirements of SRC rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Company has engaged Isla Lipana as external auditor for the audit year 2024.

**(d) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

The Company has engaged the services of Isla Lipana during the most recent fiscal year, and SGV & Co. for the audit year 2022. There were no disagreements with either external auditor on any matter of accounting and financial disclosure.

**(e) Audit and Audit-Related Fees**

AREIT paid its external auditor Isla Lipana for the audit year 2023 and SGV & Co. for the audit year 2022 the following fees (in Php million; inclusive of out-of-pocket expenses and VAT):

Year	Audit & Audit-related Fees	Tax Fees	Other Fees
2023	940,800.00	-	66,000.00
2022	940,800.00	-	60,480.00

Audit and Audit-related Fees pertain to the audit of the financial statements of the Company as of and for the year December 31, 2023, inclusive of VAT and out-of-pocket expenses.

**(f) Tax Fees**

For 2023, the Company engaged Isla Lipana for tax consulting services and professional assistance (non-audit services) in connection with the application for Certificates Authorizing Registration (eCAR) for the infusion of assets implemented in 2023.

Under paragraph 3.4 (b) of the AREIT Audit Committee Charter, the Audit Committee (composed of Enrico S. Cruz, Chairman, Omar T. Cruz and Augusto D. Bengzon, members) approves the audit services rendered by the external auditor to ensure that these do not impair the external auditor's independence. The approval of the audit-related and non-audit services of the external auditor is delegated to management, subject to the Company's Policy on Non-Audit Services.

**(g) Other Fees**

For 2023 and 2022, other fees were paid to SGV which pertains to services rendered during the annual stockholders meeting in connection with the validation of votes.

Under paragraph 3.4 (a) of the AREIT Audit Committee Charter, the Audit Committee recommends to the Board the appointment of the external auditor and the audit fees.

**Item 8. Compensation Plans**

No matters or actions with respect to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed will be taken up during the meeting.

**C. ISSUANCE AND EXCHANGE OF SECURITIES**

**Item 9. Authorization or Issuance of Securities Other than for Exchange**

The Company will not be presenting any matter or act involving the authorization or issuance of any class of the Company's securities other than for during the meeting.

**Item 10. Modification or Exchange of Securities**

The Company will not be presenting any matter or act involving the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class during the meeting.

**Item 11. Financial and Other Information**

The audited financial statements as of December 31, 2023, Management's Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company's financial information are attached hereto as Annex "C." The Schedules required under Part IV(c) of Rule 68 will be included in the Annual Report (SEC Form 17-A).

**Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

There is no proposed merger, consolidation, acquisition by sale, or liquidation of the Company that will be presented during the meeting.

**Item 13. Acquisition or Disposition of Property**

There is no proposed acquisition or disposition of property of the Company that will be presented during the meeting.

**Item 14. Restatement of Accounts**

The accounting policies adopted are consistent with those of the previous financial year. Please refer to Note 2 of the Company's audited financial statements on the Summary of Significant Accounting Policies.

**D. OTHER MATTERS**

**Item 15. Action with Respect to Reports**

- (a) Approval of the Minutes of the 2023 annual meeting of the stockholders held on April 26, 2023 and special meeting of the stockholders held on February 12, 2024 covering the following matters:

***2023 Annual Stockholders' Meeting***

- i. Annual report of officers;
- ii. Ratification of all resolutions adopted by the Board of Directors and the acts of Management beginning April 21, 2022 to April 26, 2023;
- iii. Approval of issuance of common shares in exchange for properties;
- iv. Election of the members of the Board (including the Independent Directors); and
- v. Election of the external auditor and fixing of its remuneration.

The minutes of the 2023 Annual Stockholders' Meeting held on April 26, 2023 was uploaded to the Company's website within five (5) days from the date of the meeting and may be viewed through: <https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/b28d6d808a-1683265870/minutes-of-the-2023-annual-stockholders-meeting.pdf>

***2024 Special Stockholders' Meeting***

- i. Approval of issuance of common shares in exchange for properties.

The minutes of the 2024 Special Stockholders' Meeting held on February 12, 2024 was uploaded to the Company's website within five (5) days from the date of the meeting and may be viewed through <https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/ecfe45655b-1708917119/areit-special-stockholders-meeting-minutes-12february2024.pdf>

The minutes contain the following information:

1. A description of the voting and vote tabulation procedures used in the previous meeting;

### **2023 Annual Stockholders' Meeting**

During the previous Annual Stockholders' Meeting, stockholders of record were allowed to vote *in absentia* or by designating the Chairman of the meeting as their proxy. The Secretary certified that there was a quorum for the meeting with stockholders owning 1,269,508,182 shares or 72.09% of the total outstanding shares, present in person or by proxy. The mode of attendance of the stockholders deemed present and their respective percentages of the outstanding shares are set forth below:

<b>Mode of Attendance</b>	<b>Number of Shares Present and Represented</b>	<b>% of Total Outstanding Shares</b>
Appointment of the Chairman as proxy	1,269,492,175	72.09%
Voting <i>in absentia</i>	15,800	0.001%
Remote communication	207	0.00001%
<b>Total</b>	<b>1,269,508,182</b>	<b>72.09%</b>

The votes cast as of close of business of April 19, 2023 were tabulated. Those votes are from stockholders owning 1,269,508,182 voting shares representing 100% of the total shares represented in the meeting, and 72.09% of the 1,761,047,193 total outstanding shares.

The Secretary explained that the rules of conduct and the voting procedures are set forth in the Definitive Information Statement and in the Explanation of Agenda Items, which formed part of the Notice of the Annual Stockholders' Meeting.

The voting result for matters taken up during the Annual Stockholders' Meeting of the Company last April 26, 2023 is posted in the Company's website at <https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/b28d6d808a-1683265870/minutes-of-the-2023-annual-stockholders-meeting.pdf>

### **2024 Special Stockholders' Meeting**

During the Special Stockholders' Meeting of the Company held last February 12, 2024, stockholders of record were allowed to vote *in absentia* or by designating the Chairman of the meeting as their proxy. The Secretary certified that there was a quorum for the meeting with stockholders owning 1,911,362,828 shares representing 80.70% of the total outstanding shares. The mode of attendance of the stockholders deemed present and their respective percentages of the outstanding shares are set forth below:

<b>Mode of Attendance</b>	<b>Number of Shares Present and Represented</b>	<b>% of Total Outstanding Shares</b>
Appointment of the Chairman as proxy	1,910,760,141	80.67%
Voting <i>in absentia</i>	602,680	0.025444
Remote communication	7	0.0000003%
<b>Total</b>	<b>1,911,362,828</b>	<b>80.70%</b>

The votes cast as of close of business of February 5, 2024 were tabulated. Those votes are from stockholders owning 1,911,362,828 voting shares representing 100% of the total shares represented in the meeting, and 80.70% of the total outstanding shares.

The Secretary explained that the rules of conduct and the voting procedures are set forth in the Definitive Information Statement and in the Explanation of Agenda Items, which formed part of the Notice of the Special Stockholders' Meeting.

The voting result for matters taken up during the Special Stockholders' Meeting of the Company last February 12, 2024 is posted in the Company's website at [https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/ecfe45655b-1708917119/areit-special-stockholders-meeting-minutes\\_-12february2024.pdf](https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/ecfe45655b-1708917119/areit-special-stockholders-meeting-minutes_-12february2024.pdf)

2. A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answered given;

#### **2023 Annual Stockholders' Meeting**

Stockholders who registered under the Voting *in Absentia* and Shareholder (VIASH) System or who notified the Corporation by email to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph) by April 17, 2023 of their intention to participate in the meeting by remote communication were given the opportunity to send their questions or comments to the same email address. Questions or comments received before 1:30 p.m. of April 26, 2023 were read aloud and addressed during the Question and Answer period.

The record of questions asked and answers given is reflected in the minutes of the meeting accessible at <https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/b28d6d808a-1683265870/minutes-of-the-2023-annual-stockholders-meeting.pdf>

#### **2024 Special Stockholders' Meeting**

Stockholders who registered under the Voting *in Absentia* and Shareholder (VIASH) System or who notified the Corporation by email to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph) by February 1, 2024 of their intention to participate in the meeting by remote communication were given the opportunity to send their questions or comments to the same email address. Questions or comments received before February 1, 2024 were read aloud and addressed during the Question and Answer period.

The record of questions asked and answers given is reflected in the minutes of the meeting accessible at [https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/ecfe45655b-1708917119/areit-special-stockholders-meeting-minutes\\_-12february2024.pdf](https://areit.com.ph/media/pages/company-disclosures/minutes-of-all-general-and-special-stockholders-meetings/ecfe45655b-1708917119/areit-special-stockholders-meeting-minutes_-12february2024.pdf)

3. The matters discussed, resolutions reached, and voting tabulation for each matter;

The following matters were discussed and resolutions reached, with the corresponding voting tabulations, during the:

#### **2023 Annual Stockholders' Meeting**

- a. Approval of the Minutes of the 2022 Annual Stockholders' Meeting

#### **Resolution No. S-01-2023**

**RESOLVED**, to approve the minutes of the Annual Stockholders' Meeting held on April 21, 2022.

	For	Against	Abstain
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Number of Voted Shares	1,269,507,975	-	-
% of Shares of Stockholders Represented	99.99998%	-	-

b. Annual Report

**Resolution No. S-02-2023**

**RESOLVED**, to note the Corporation's Annual Report, which consists of the Message from the Chairman and the President, and the audio-visual presentation to the stockholders, and to approve the audited financial statements of the Corporation as of December 31, 2023, as audited by the Corporation's external auditor SyCip Gorres Velayo & Co.

	For	Against	Abstain
Number of Voted Shares	1,269,507,975	-	-
% of Shares of Stockholders Represented	99.99998%	-	-

c. Ratification of all Acts and Resolutions of the Board of Directors and Officers

**Resolution No. S-03-2023**

**RESOLVED**, to ratify each and every act and resolution, from April 21, 2022 to April 26, 2023 (the "Period"), of the Board of Directors (the "Board"), the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act, during the Period, of the officers of the Corporation performed pursuant to the resolutions of the Board, the Executive Committee, and other Board committees as well as pursuant to the By-laws of the Corporation.

	For	Against	Abstain
Number of Voted Shares	1,269,507,975	-	-
% of Shares of Stockholders Represented	99.99998%	-	-

d. Approval of the amendment to the Seventh Article of the Articles of Incorporation to increase the authorized capital stock

**Resolution No. S-04-2023**

**RESOLVED**, to approve the amendment of the Seventh Article of the Corporation's Articles of Incorporation to increase the authorized capital stock **from** Pesos: Twenty-Nine Billion Five Hundred Million Pesos (₱29,500,000,000.00), Philippine Currency, consisting of Two Billion Nine Hundred Fifty Million (2,950,000,000) Common Shares with par value of Ten Pesos (₱10.00) per share **to** Forty Billion Five Hundred Million Pesos (₱40,500,000,000.00), Philippine Currency, consisting of Four Billion Fifty Million (4,050,000,000) Common Shares with par value of Ten Pesos (₱10.00) per share. As amended, the Article shall henceforth read as follows:

**SEVENTH:** The authorized capital stock of the corporation is Pesos: Forty Billion Five Hundred Million Pesos (₱40,500,000,000.00), Philippine Currency, consisting of Four Billion Fifty Million (4,050,000,000) Common Shares with par value of Ten Pesos (₱10.00) per share.



No stockholders of any class shall be entitled to any pre-emptive right to purchase, subscribe for, or receive any part of the shares of the Corporation, whether issued from its unissued capital, increase in its authorized capital or its treasury stock.

*(as amended on December 20, 2006, further amended on May 11, 2008; further amended on July 6, 2015; further amended in a meeting of the Board of Directors and stockholders on September 26, 2018; further amended in a meeting of the Board of Directors on March 16, 2021 and stockholders on February 23, 2021; and as further amended in a meeting of the Board of Directors on February 24, 2023 and stockholders on April 26, 2023.)*

	For	Against	Abstain
Number of Voted Shares	1,269,507,575	-	400
% of Shares of Stockholders Represented	72.08822%	-	0.0002%

- e. Approval of the issuance of common shares in exchange for properties

**Resolution No. S-05-2023**

**RESOLVED**, to approve the issuance of 607,559,380 primary common shares to Ayala Land, Inc. (ALI), and its subsidiaries, Ayalaland Malls, Inc. (ALMI), and Northbeacon Commercial Corporation (NBCC), in exchange for identified properties owned by ALI, ALMI, and NBCC valued at Twenty-Two Billion Four Hundred Seventy-Nine Million Six Hundred Ninety-Seven Thousand Sixty Pesos (₱22,479,697,060.00), under a property-for-share swap, at an issue price of ₱37.00 per share, set at a 3% premium over the thirty (30)-day volume weighted average price (30-day VWAP) of ₱35.83 or the prevailing Market Price.

	For	Against	Abstain
Number of Voted Shares	1,268,253,135	1,254,840	-
% of Shares of Stockholders Represented	72.01699%	0.07126%	-

- f. Election of Directors

**Resolution No. S-06-2023**

**RESOLVED**, to elect the following as directors of the Corporation to serve as such beginning today until their successors are elected and qualified:

1. Bernard Vincent O. Dy
2. Augusto D. Bengzon
3. Carol T. Mills
4. Anna Ma. Margarita B. Dy
5. Mariana Zobel de Ayala
6. Omar T. Cruz (*Independent Director*)
7. Enrico S. Cruz (*Independent Director*)
8. Sherisa P. Nuesa (*Independent Director*)

Director	For	Against	Abstain
1. Bernard Vincent O. Dy	1,264,525,435	4,983,440	-
2. Augusto D. Bengzon	1,268,095,425	1,408,550	-
3. Carol T. Mills	1,268,416,575	1,093,900	-
4. Anna Ma. Margarita B. Dy	1,268,415,475	1,093,900	-

5. Mariana Zobel de Ayala	1,268,417,975	1,093,900	-
6. Omar T. Cruz	1,269,509,475	-	-
7. Enrico S. Cruz	1,246,523,935	4,983,440	-
8. Sherisa P. Nuesa	1,264,518,935	4,983,440	-

g. Election of External Auditor and Fixing of its Remuneration

**Resolution No. S-07-2023**

**RESOLVED**, as endorsed by the Board of Directors, to approve the election of PwC Isla Lipana & Co. as the external auditor of the Corporation for the year 2023 for an audit fee of Eight Hundred Thousand Pesos (Php800,000.00), exclusive of value-added tax and five percent (5%) out of pocket expenses.

	For	Against	Abstain
Number of Voted Shares	1,269,507,575	-	400
% of Shares of Stockholders Represented	99.99995%	-	0.00003%

**2024 Special Stockholders' Meeting**

a. Approval of the issuance of common shares in exchange for properties

**Resolution No. S-01-2024**

**RESOLVED**, to approve the issuance of 841,259,412 primary common shares to Ayala Land, Inc. (ALI), Greenhaven Property Ventures, Inc., Cebu Insular Hotel Co., Inc., and Buendia Christiana Holdings Corp. in exchange for assets valued at Twenty-Eight Billion Six Hundred Two Million Eight Hundred Twenty Thousand Eight Pesos (₱28,602,820,008.00), under a property-for-share swap, at an issue price of ₱34.00 per share, set at premium over the thirty-day volume weighted average price of ₱32.91 or the prevailing Market Price.

	For	Against	Abstain
Number of Voted Shares	1,909,207,121	2,155,700	-
% of Shares of Stockholders Represented	99.89%	0.11%	-

4. A list of the directors, officers and the percentage of outstanding and voting shares of stockholders who attended and participated in the meeting.

The following directors and officers were present during the Annual Stockholders' Meeting of the Corporation last April 26, 2023:

Directors:

Jose Emmanuel H. Jalandoni	<i>Chairman of the Board Chairman, Executive Committee</i>
Carol T. Mills	<i>President and Chief Executive Officer Member, Executive Committee Member, Sustainability Committee</i>
Augusto D. Bengzon	<i>Member, Audit Committee</i>
Omar T. Cruz	<i>Lead Independent Director Member, Executive Committee</i>

*Chairman, Risk Management and Related Party Transactions Review Committee*  
*Member, Audit Committee*  
*Member, Personnel and Compensation Committee*  
*Member, Corporate Governance and Nomination Committee*

Enrico S. Cruz

*Independent Director*  
*Chairman, Audit Committee*  
*Member, Risk Management and Related Party Transactions Review Committee*  
*Member, Personnel and Compensation Committee*  
*Member, Corporate Governance and Nomination Committee*

Bernard Vincent O. Dy  
Mariana Beatriz Zobel de Ayala

Officers:

Ma. Teresa R. Famy

*Treasurer*  
*Chief Finance Officer*  
*Chief Compliance Officer*

Solomon M. Hermosura

*Corporate Secretary*

Michael Anthony Garcia

*Investor Relations Officer*

Also Present:

Anna Ma. Margarita B. Dy

*Incoming Director*

Sherisa P. Nuesa

*Incoming Director*

The following directors and officers were present during the Special Stockholders' Meeting of the Corporation last February 12, 2024:

Directors:

Anna Ma. Margarita Bautista-Dy

*Chairman of the Board*  
*Chairman, Executive Committee*

Carol T. Mills

*President and Chief Executive Officer*  
*Member, Executive Committee*  
*Member, Sustainability Committee*

Augusto D. Bengzon

*Member, Audit Committee*

Omar T. Cruz

*Lead Independent Director*  
*Member, Executive Committee*  
*Chairman, Risk Management and Related Party Transactions Review Committee*  
*Member, Audit Committee*  
*Member, Corporate Governance and Nomination Committee*

Enrico S. Cruz

*Independent Director*  
*Chairman, Audit Committee*  
*Member, Risk Management and Related Party Transactions Review Committee*

*Member, Corporate Governance and Nomination Committee*

Sherisa P. Nuesa

*Independent Director  
Chairman, Corporate Governance and Nomination Committee  
Chairman, Sustainability Committee*

Bernard Vincent O. Dy  
Mariana Beatriz Zobel de Ayala

Officers:

Ma. Teresa R. Famy

*Treasurer  
Chief Finance Officer*

Solomon M. Hermosura

*Corporate Secretary*

Ma. Florence Therese dG.  
Martinez-Cruz

*Assistant Corporate Secretary  
Chief Compliance Officer*

Michael Anthony Garcia

*Investor Relations Officer*

Rowena P. Libunao

*Chief Audit Executive*

The percentage of outstanding and voting shares of stockholders who attended and participated in the meeting are as follows:

**2023 Annual Stockholders' Meeting**

Total Number of Shares Present	Total Number of Outstanding Shares	Percentage of Total
1,269,508,182	1,761,047,193	72.09%

**2024 Special Stockholders' Meeting**

Total Number of Shares Present	Total Number of Outstanding Shares	Percentage of Total
1,911,362,828	2,368,606,573	80.70%

- (b) Approval of the annual report of the Management for the year ending December 31, 2023, including the 2023 audited financial statements.
- (c) Appraisals and performance reports for the board and the criteria and procedure for assessment

The Board undergoes a formal assessment process annually whereby each director completes an evaluation questionnaire that is intended to provide insights on the effectiveness of the Board, its committees, the Chairman, and the directors. The assessment criteria or metrics include board composition; board roles, functions and processes; information management; representation of shareholders; management of the Company's performance; senior executives' talent management and succession planning, dynamics and relationships; and corporate governance practices. The aggregated results are presented to the Board during the meeting immediately following the end of the assessment process. The performance assessment of the Board and the directors will be conducted by an external facilitator every three (3) years.

On February 24, 2023, the external facilitator reported to the Board of Directors the results of the performance assessment conducted for the board and board committees.

- (d) A director compensation report prepared in accordance with the Revised Corporation Code and the rules prescribed by the SEC.

The director compensation report of the Company is included in this Definitive Information

Statement and will form part of the Company's SEC Form 17-A for 2023.

(e) Director disclosures on self-dealings and related party transactions

None of the Company's directors have entered into self-dealing and related-party transactions with or involving the Company in 2023.

**Item 16. Matters Not Required to be Submitted**

There are no matters or actions to be taken up in the meeting that will not require the vote of the stockholders as of the record date.

**Item 17. Amendment of Charter, By-Laws or Other Documents**

There is no proposed amendment of the charter, by-laws, or other documents of the Company that will be presented during the meeting.

**Item 18. Other Proposed Action**

(a) Ratification of the acts of the Board of Directors and officers

The acts of the Board of Directors and officers from April 26, 2023 until April 23, 2024, include –

- Election of officers, appointment of the various Board Committee members and Independent Advisors to the Board, and designation of lead independent director;
- Ratification and confirmation of the actions of the Board Committees;
- Updating of Attorneys-in-Fact for various transactions;
- Declaration of cash dividends;
- Renewal and establishment of short-term credit facilities;
- Schedule of Annual Stockholders, Board Meeting, Committee Meetings, and Non-Directors' Meetings;
- Delegation to the Corporate Governance and Nomination Committee of the authority to approve the final list of nominees to the Board of Directors; and,
- Matters covered by disclosures to the SEC and PSE.

(b) Election of the members of the Board for the ensuing year, including the independent directors; and

(c) Election of the external auditor and fixing of its remuneration.

**Item 19. Voting Procedures**

(a) **Vote required:** The affirmative vote of the stockholders owning at least a majority of the outstanding shares of stock represented at the Annual Stockholders' Meeting, at which a quorum is present, is required for the approval of all matters presented to the stockholders for decision. The election of directors is by plurality of votes.

(b) **Method of Voting:** Straight and Cumulative Voting

In all items for approval, each share of stock entitles its registered owner as of the Record Date to one (1) vote. As explained in Item 20 below, stockholders will only be allowed to vote by appointing the Chairman of the meeting, or his alternates, as their proxy or electronically via remote communication or *in absentia*.

In the case of the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not

exceed the number of shares owned by him multiplied by the total number of directors to be elected.

A stockholder may vote electronically *in absentia* or through remote communication using the online web address, <http://www.ayalagroupshareholders.com/>,<sup>26</sup> subject to validation procedures. A stockholder voting electronically *in absentia* or through remote communication shall be deemed present for purposes of quorum.

Proxies and Voting Instruction shall be in writing, signed and filed, by the stockholders, in the form provided in this DIS, and shall be received at 4/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City or by email to the Corporate Secretary at [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph) on or before April 12, 2024.

All votes will be counted and tabulated by the Proxy Validation Committee and the results will be validated by an independent third party.

## **Item 20. Participation of Shareholders by Remote Communication**

The Chairman, pursuant to the authority delegated by our Board of Directors during its meeting on November 26, 2023, has approved the conduct of the meeting in a fully virtual format. Stockholders may attend the meeting only by remote communication, as set forth below, and by voting *in absentia*, as provided in Item 4(c) and Item 19 above, or voting through the Chairman of the meeting as proxy.

The live webcast of the meeting shall be accessible through the following online web address: <http://www.ayalagroupshareholders.com/> to shareholders who registered in the Ayala Group Voting System (the "Voting System"). A Meeting livestreaming access button will be available on the Stockholder's dashboard in the Voting System on the date set for the Meeting as indicated in the Company's Notice of Meeting. To enable the Company to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall inform the Company by email to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph) on or before April 12, 2024, of their intention to participate in the meeting by remote communication.

Stockholders may email questions or comments prior to or during the meeting at the following email address: [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph). The detailed instructions for participation through remote communication are set forth in Annex "A (III)."

## **Item 21. Acceptance of Stockholder Proposals on Agenda Item**

Stockholders of record as of March 21, 2024 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before April 17, 2024.<sup>27</sup>

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<sup>26</sup> A stockholder may vote through <http://www.ayalagroupshareholders.com/> for the special stockholders' meeting of the Company to be held on February 12, 2024.

<sup>27</sup> The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on the 18th day of March 2024.

**AREIT, INC.**

  
**MARIA FRANCHETTE M. ACOSTA**  
Corporate Secretary

## ANNEX "A"

### 2024 ANNUAL STOCKHOLDERS' MEETING OF AREIT, INC. (THE "MEETING")

#### REQUIREMENTS AND PROCEDURE FOR ELECTRONIC VOTING IN ABSENTIA AND PARTICIPATION BY REMOTE COMMUNICATION

Participation by remote communication and electronic voting via remote communication or *in absentia* shall be allowed only through complete registration and successful validation in the Ayala Group Voting System.

#### **I. ELECTRONIC VOTING VIA REMOTE COMMUNICATION OR *IN ABSENTIA***

1. The special stockholders' meeting of AREIT, Inc. on April 23, 2024 will be conducted entirely via remote communication. Voting on the agenda item/s will be done electronically.
2. Stockholders as of March 21, 2024 ("Stockholders") have the option of electronic voting *in absentia* on the matters in the Agenda after complete registration in the Ayala Group Voting System. Only votes cast by duly validated stockholders would be included in the preliminary and final tally of votes.
3. Stockholders with e-mail addresses on record shall be sent an e-mail with a link to the Ayala Group Voting System. To register in the Voting System, Stockholders shall simply follow the instructions sent in the e-mail.
4. Stockholders may access the link <http://www.ayalagroupshareholders.com/> to create an account and register in the Ayala Group Voting System. Stockholders should complete the online registration form and submit for validation together with the requirements provided in Item 5 below. Once the online registration form has been completed, the digital ballot will be available for the Stockholders to cast their votes.
5. All registered accounts shall be subject to a post validation process set forth in Item 5 below. Only the votes cast by validated Stockholders shall be considered in the preliminary and final tally of votes. The deadline for registration to vote *in absentia* is April 12, 2024. Stockholders may vote until the end of the meeting. The Ayala Group Voting System will be open for registration on **March 27, 2024**.
6. The following are needed for registration:
  - 5.1. For individual Stockholders (those with certificated stocks and not lodged through a broker / PDTC) –
    - 5.1.1. A recent photo of the Stockholder, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
    - 5.1.2. A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
    - 5.1.3. A valid and active e-mail address;
    - 5.1.4. A valid and active contact number.
  - 5.2. For Stockholders with joint accounts (those with certificated stocks and not lodged through a broker / PDTC) –
    - 5.2.1. A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PDF format). The file size should be no larger than 5MB;



- 5.2.2. A recent photo of the Stockholder authorized to vote, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
  - 5.2.3. A scanned copy of the valid government-issued ID showing photo and personal details, preferably with residential address of the Stockholder authorized to vote (in JPG or PDF format). The file size should be no larger than 5MB;
  - 5.2.4. A valid and active e-mail address;
  - 5.2.5. A valid and active contact number.
- 5.3. For Stockholders (Individual or Joint Account or Corporation) under Broker accounts –
- 5.3.1. A broker’s certification on the Stockholder’s number of shareholdings (in JPG or PDF format). The file size should be no larger than 5MB;
  - 5.3.2. A recent photo of the stockholder, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
  - 5.3.3. A scanned copy of the Stockholder’s valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
  - 5.3.4. A valid and active e-mail address;
  - 5.3.5. A valid and active contact number;
- 5.4. For corporate Stockholders (those with certificated stocks and not lodged through a broker / PDTC) –
- 5.4.1. A secretary’s certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PDF format). The file size should be no larger than 5MB;
  - 5.4.2. A recent photo of the Stockholder’s representative, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
  - 5.4.3. A scanned copy of the valid government-issued ID of the Stockholder’s representative showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
  - 5.4.4. A valid and active e-mail address of the Stockholder’s representative;
  - 5.4.5. A valid and active contact number of the Stockholder’s representative.
7. Stockholders who, as of record date, are also Stockholders of the other publicly listed corporations in the Ayala group only need to register one account in the Ayala Group Voting System and may “Add another company” in their respective profiles, as applicable. The digital absentee ballot for each corporation shall be separately accessed from the Stockholder’s Dashboard in the Ayala Group Voting System and votes shall be cast per corporation.
8. Voting will be allowed after successful registration of the Stockholder but votes will only be included in the preliminary and final tally after the Stockholder has been duly validated. The Stockholder will be advised by email if his/her vote has been considered or discarded. If discarded, Stockholders may still vote through the Chairman of the Meeting as their proxy, by submitting a duly accomplished proxy form, on or before April 12, 2024.
9. All agenda items indicated in the Notice of the Meeting will be set out in the digital ballot in the Ayala Group Voting System and the registered Stockholder may vote as follows:
- 9.1. For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the registered Stockholder’s shares.
  - 9.2. For the Election of Directors, the registered Stockholder may either: (1) vote for all nominees, (2) not vote for any of the nominees, or (3) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

Once voting on the agenda items is finished, the registered Stockholder can proceed to submit the accomplished ballot by clicking the 'Submit' button.

The Ayala Group Voting System will prompt the Stockholder to confirm the submission of the ballot. The votes cast electronically *in absentia* will have equal effect as votes cast by proxy.

After the ballot has been submitted, Stockholders may no longer change their votes except by submitting a duly accomplished proxy form within the set deadline.

10. The Proxy Validation Committee will tabulate all votes cast electronically *in absentia* together with the votes cast by proxy, and a firm selected for this purpose will validate the results.

## **II. PARTICIPATION BY REMOTE COMMUNICATION**

1. Stockholders as of March 21, 2024 ("Stockholders") are required to register in the Ayala Group Voting System to participate in the Meeting on April 23, 2024 by remote communication. A Meeting livestreaming access button will be available on the Stockholder's dashboard in the Voting System on the Meeting date as indicated in the Company's Notice of the Meeting.
2. The procedure and requirements for registration in the Ayala Group System are found in the Electronic Voting *in Absentia* section in this Annex. The deadline for registration to participate by remote communication is on April 12, 2024.
3. In addition to their registration in the Ayala Group Voting System, Stockholders are requested to notify the Company by e-mail to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph) by April 12, 2024 of their intention to participate in the Meeting by remote communication.
4. Stockholders who have notified the Company of their intention to participate in the Meeting by remote communication, together with the Stockholders who voted electronically or *in absentia* or by proxy, shall be included in the determination of quorum at the Meeting.
5. Stockholders participating by remote communication may vote in real time until the end of the Meeting using the digital ballot in the Ayala Group Voting System. Vote tabulation shall be completed and finalized after the meeting.
6. Stockholders may send their questions and/or remarks prior to or during the Meeting by e-mail to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph)
7. A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted by e-mail to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph)

## **III. VOTING BY PROXY**

1. The Company is soliciting proxies in connection with the special meeting of its stockholders on April 23, 2024.
2. Stockholders of record as of March 21, 2024 may issue the Proxy and Voting Instruction included in this Definitive Information Statement in favor of the Chairman of the meeting. The Proxy and Voting Instruction form should be submitted to the Office of the Corporate Secretary on or before April 12, 2024 at 4/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City or by email to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph).
3. The Proxy and Voting Instruction form must be accompanied by the following requirements:
  - 3.1. For individual Stockholders (those with certificated stocks and not lodged through a broker / PDTC) –

- 3.1.1. A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
  - 3.1.2. If the proxy is not the Chairman of the meeting, a scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format) of the appointed proxy. The file size should be no larger than 5MB;
  - 3.1.3. A valid and active e-mail address;
  - 3.1.4. A valid and active contact number.
- 3.2. For Stockholders with joint accounts (those with certificated stocks and not lodged through a broker / PDTC) –
- 3.2.1. A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PDF format). The file size should be no larger than 5MB;
  - 3.2.2. A scanned copy of the valid government-issued ID showing photo and personal details, preferably with residential address of the Stockholder authorized to vote (in JPG or PDF format). The file size should be no larger than 5MB;
  - 3.2.3. If the proxy is not the Chairman of the meeting, a scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format) of the appointed proxy. The file size should be no larger than 5MB;
  - 3.2.4. A valid and active e-mail address;
  - 3.2.5. A valid and active contact number.
- 3.3. For Stockholders (Individual or Joint Account or Corporation) under Broker accounts –
- 3.3.1. A broker's certification on the Stockholder's number of shareholdings (in JPG or PDF format). The file size should be no larger than 5MB;
  - 3.3.2. A scanned copy of the valid government-issued ID showing photo and personal details, preferably with residential address of the Stockholder authorized to vote (in JPG or PDF format). The file size should be no larger than 5MB;
  - 3.3.3. If the proxy is not the Chairman of the meeting, a scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format) of the appointed proxy. The file size should be no larger than 5MB;
  - 3.3.4. A valid and active e-mail address;
  - 3.3.5. A valid and active contact number.
- 3.4. For corporate Stockholders (those with certificated stocks and not lodged through a broker / PDTC)–
- 3.4.1. A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PDF format). The file size should be no larger than 5MB;
  - 3.4.2. A recent photo of the Stockholder's representative, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
  - 3.4.3. A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
  - 3.4.4. A valid and active e-mail address;
  - 3.4.5. A valid and active contact number.
4. Validation of proxies is set for April 17, 2024 at 9:00 o'clock in the morning.

5. The Proxy Validation Committee will tabulate the ballot/s cast by the Chairman of the meeting by virtue of the validated proxies submitted and will be counted together with all the votes cast *in absentia*, and a firm selected for this purpose will validate the results.

**For any clarifications, please contact our Office of the Corporate Secretary through [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph).**

**ANNEX “B”**  
**DIRECTORS AND KEY OFFICERS**  
**(as of December 31, 2023)**

The write-ups below include positions held as of December 31, 2023 and in the past five years, and personal data as of December 31, 2023 of directors and executive officers.

Incumbent Board of Directors

Anna Ma. Margarita Bautista Dy, Chairman of the Board  
Carol T. Mills, President and Chief Executive Officer  
Bernard Vincent O. Dy  
Augusto D. Bengzon  
Mariana Beatriz Zobel de Ayala  
Omar T. Cruz, Lead Independent Director  
Enrico S. Cruz, Independent Director  
Sherisa P. Nuesa, Independent Director

**Anna Maria Margarita Bautista Dy**, Filipino, 53, is the Chairman of the Board. She is currently the President and Chief Executive Officer of Ayala Land, Inc. effective October 1, 2023. Previously, she held the position of Executive Vice President from January 1, 2023 until September 30, 2023. She was Senior Vice President from January 1, 2015 until December 31, 2022 and a member of the Management Committee of Ayala Land, Inc. (ALI) since August 2008. She is the Head of the Residential Business Group of ALI effective July 1, 2022 and Head of the Malls Group effective January 1, 2023. Her other significant positions are: Chairman of Amaia Southern Properties, Inc., Ayalaland Premier, Inc., Ayala Land International Sales, Inc., Avida Land Corp., and Solinea, Inc. ; Vice Chairman of Alveo-Federal Land Communities Inc.; Director and Executive Vice President of AKL Properties, Inc., Avencosouth Corp., and Portico Land, Inc.; and, Director of Accendo Commercial Corp., Alveo Land Corp., ALI Eton Property Development Corporation, Altaraza Development Corporation, Amaia Land, Inc., Amicassa Process Solutions, Inc., Aurora Properties, Inc., Ayala Greenfield Development Corporation, Ayala Property Management Corporation, Ayalaland-Tagle Properties, Inc., BGWest Properties, Inc., BGNorth Properties, Inc., Bellavita Land Corp., Berkshires Holdings, Inc., Bonifacio Land Corporation, Cagayan de Oro Gateway Corp., Columbus Holdings, Inc., Emerging City Holdings, Inc., CECI Realty, Inc., Fort Bonifacio Development Corporation, Nuevocentro, Inc., Serendra, Inc., and Vesta Properties Holdings, Inc. Prior to joining ALI, she was a Vice President of Benpres Holdings Corporation. She graduated magna cum laude from Ateneo De Manila University with BS of Arts Degree in Economics Honors Program in 1990. She earned her Master’s degree in Economics from London School of Economics and Political Science in 1991 and MBA at Harvard Graduate School of Business Administration in Boston in 1996.

**Carol T. Mills**, Filipino, 50, has served as the Company’s President since February 10, 2014 and President and Chief Executive Officer since April 4, 2019. She is a Vice President of Ayala Land, Inc. She is also the President of Ayala Land Offices, Inc. She is Chairman of various Ayala Land Offices subsidiaries namely UP North Property Holdings, Inc., First Gateway Real Estate Corp., Glensworth Development Inc., Hillsford Property Corp., Makati Cornerstone Leasing Corp. and Sunnyfield E-Office Corp., as well as Director of ALI Capital Corp. and DirectPower Services, Inc. She joined ALI in 1993 and prior to her current position, she was Deputy Head of Business Development for Ayala Malls from 2008 to 2013, General Manager for Alabang Town Center from 2004 to 2008, and Operations Manager for Glorietta from 2000 to 2004. She graduated Magna Cum Laude from the University of the Philippines in 1993 with a Bachelor of Science degree in Business Administration and earned her Masters in Business Administration from the Amos Tuck School of Business, Dartmouth College in New Hampshire, USA in 1998.

**Bernard Vincent O. Dy**, Filipino, 59, has served as a Director of AREIT, Inc. since April 4, 2019. He was the President and Chief Executive Officer of Ayala Land, Inc. until September 30, 2023 and was a member of the Ayala Group Management Committee since April 2014. He is also a Director of other publicly-listed companies, Ayalaland Logistics Holdings Corp. and Avaland Berhad (formely MCT Bhd.) in Malaysia. Concurrently, he is the Chairman of Aviana Development Corp. and Ayagold Retailers, Inc.; Vice Chairman of Alviera Country Club, Inc. and Director of Accendo Commercial Corp., AKL Properties, Inc., Alabang Commercial Corporation , ALI Eton Property Development Corporation, Altaraza Development Corporation, Aurora Properties Incorporated, Avencosouth Corp., Ayala Greenfield Development Corporation, Ayalaland-Tagle Properties, Inc., BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc.,

Cagayan De Oro Gateway Corp., Ceci Realty Inc., Fort Bonifacio Development Corporation, Serendra, Inc., Station Square East Commercial Corporation, and Vesta Property Holdings, Inc. He is also the President and CEO of Berkshires Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc., and President of Bonifacio Art Foundation, Inc. and Hero Foundation Inc.; member of the Board of Trustees of Ayala Foundation, Inc., advisor of Alveo-Federal Land Communities, Inc.; and, Director of the Junior Golf Foundation of the Philippines since 2010 and Vice Chairman since 2017. He earned a degree of BBA in Accountancy from the University of Notre Dame in 1985, an MBA in 1997, and Masters in International Relations in 1989 from the University of Chicago. He became a member of the University of Chicago's Global Leaders Group in 2020.

**Augusto D. Bengzon**, Filipino, 60, has served as a Director and the Treasurer of AREIT, Inc. since April 4, 2019. He also currently serves as Ayala Land, Inc.'s Senior Vice President, Chief Finance Officer, Treasurer and Chief Compliance Officer. He is a Treasurer of AyalaLand Logistics Holding Corp., another publicly-listed companies under the Ayala Group. His other significant positions include: Chairman of Aprisa Business Process Solutions Inc., Anvaya Cove Golf and Sports Club, Inc. and Anvaya Cove Beach and Nature Club, Inc.; Chief Finance Officer of Altaraza Development Corporation; Director and Treasurer of Alveo Land Corp., ALI Eton Property Development Corp., Aurora Properties Inc., AyalaLand Premier Inc., AyalaLand-Tagle Properties, Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions Inc. and Vesta Property Holdings Inc.; Director of Alviera Country Club Inc., Amicassa Process Solutions, Inc., Makati Development Corp., Northgate Hotel Ventures, Inc., and Station Square East Commercial Corp.; Comptroller of Nuevocentro, Inc.; Treasurer of Alabang Commercial Corporation, AKL Properties, Inc., Amaia Land Corp., Amaia Southern Properties, Inc., Avida Land Corp., Ayala Property Management Corporation, Bellavita Land Corp., BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Serendra Inc., The Suites at One Bonifacio High Street Condominium Corp. and Hero Foundation, Inc.; Assistant Treasurer of Ayala Greenfield Development Corporation; Trustee of Philippine National Police Foundation, Inc. He received his Bachelor of Science degree in Business Management from the Ateneo de Manila University and is a graduate of the Philippine Trust Institute. He was granted the Andres K. Roxas scholarship at the Asian Institute of Management where he received his Masters in Business Management degree.

**Mariana Beatriz Zobel de Ayala** Filipino, 34, has been a director of AREIT since October 2021. She is an Executive Director of Ayala Corporation and concurrently a Senior Vice President of Ayala Land, heading its Leasing and Hospitality Group, overseeing Ayala Malls, Ayala Land Offices, and Ayala Land Hotels and Resorts. She is also a Board Director of Ayala Land and a member of its Executive, Board Risk Oversight, and Sustainability Committees. Aside from her directorships at the Ayala Land Group, she also serves as a Board Director for several Ayala Group companies, such as AC Health, Ayala Group's ACTIVE Fund, and BPI's Asset Management and Trust Company. She was named a board advisor for Asia Partners, a Singapore-based private equity firm with over USD500 million in funding, focused on enabling the next generation of high-growth technology companies in Southeast Asia. She is also a board director of U-Go, looking to drive education equality in emerging markets by providing scholarship grants to women looking to pursue a university education. Ms. Mariana Zobel de Ayala previously worked for the Bank of the Philippine Islands (BPI) as a Senior Vice President, leading the development of its marketing and digital platforms for its Consumer Banking Group. Before this position, she served as the Deputy Head of Ayala Malls and initially as part of Alveo Land's project development team. She started working at the Ayala Group as a corporate strategy and business development associate at Ayala Corporation, supporting its portfolio reviews across the conglomerate and business development interests in the healthcare industry. She began her career at J.P. Morgan in New York. She obtained her BA in Social Studies (Philosophy, Politics, and Economics) from Harvard College and an MBA from INSEAD.

**Omar T. Cruz**, 69, is the Lead Independent Director of our Company. He is also independent director for Toyota Financial Services, Inc., RCBC Capital Corporation, Philippine Regional Investments Enterprises, Inc. and ABACORE Group, Inc. He also serves: as Chairman of the Investment Committee of De La Salle Philippines; as Trustee of the Financial Executives Institute Foundation of the Philippines; as Vice Chairman of the board and Board Executive Committee for the University of Asia and the Pacific; as Vice Chairman of the board and Board Executive Committee for the Center for Research and Communication Foundation, Inc.; as a trustee for the Philippine National Police Foundation. Previously Mr. Cruz has served as: Treasurer of the Republic of the Philippines, Chairman of the International Treasury Committee of the International Association of Financial Executives Institution; as a senior advisor to Prudential Corporation Asia (HK); and as President and CEO of BPIPhilam Life Assurance Corp. and Vice President and bank executive of Citibank, N.A.; Senior Executive Vice President of Insular Life. He has also previous served as a director for numerous entities, including Philamlife Company, BPI Philam Life Assurance Corporation, Ayala-FGU Condominium Corporation, Rufino Towers Condominium Corporation, Philamlife Asset Management, Inc., Tower Club and

PHINMA Property Holdings Corporation. Mr. Cruz holds a Bachelor of Science in Industrial Management Engineering (minor in Mechanical Engineering) from De La Salle University. He also achieved his Masters in Industrial Economics from the Center for Research and Communication at the University of Asia and the Pacific.

**Enrico S. Cruz**, Filipino, 66, has been an independent director of AREIT since February 5, 2020. He is also an Independent Director of Security Bank Corporation, Robinsons Retail Holdings, Inc., The Keepers Holdings, Inc, DITO CME Holdings Inc., Maxicare Healthcare Corporation, CIBI Information Inc, MAXILIFE Insurance Corporation and Vice Chairman of SB Capital Investment Corporation. He was the Chief Country Officer of Deutsche Bank Manila Branch from June 2003 to July 2019, responsible for the operation of Deutsche Bank entities in the Philippines. He was concurrently the bank's Head of Corporate Finance overseeing debt origination, equity capital markets, advisory and corporate/institutional sales activities. He joined Deutsche Bank in July 1995 where he established the Global Markets (GM) franchise in the Philippines. Prior to Deutsche Bank, Eric was Senior Vice President at Citytrust Banking Corporation (CTBC), an affiliate of Citibank N.A. He joined CTBC in 1979 as an Executive Development Program Trainee and worked in various operations departments until he was named Head of Centralized Operations Department. He was then tasked in 1989 to head the Treasury Sales and Trading Group until his move to Deutsche Bank. He previously served as a Director of the Bankers Association of the Philippines (BAP) in 2003-2007, 2011-2015 and 2017-2019 and was a past president of the Money Market Association of the Philippines. He obtained his B.S. in Business Economics and MBA from the University of the Philippines. He was named by the UP College of Business Administration as a Distinguished Alumnus in 2008 and a Distinguished Alumnus Awardee by the UP School of Economics Alumni Association in 2015.

**Sherisa P. Nuesa**, Filipino, 69, has been an independent Director of AREIT since April 26, 2023. Currently, she is an Independent Director of other publicly listed companies namely: Manila Water Company, Inc. and Integrated Micro-electronics, Inc. and a non-executive Director of Far Eastern University and Metro Retail Stores Group Inc., both also publicly-listed. She also sits in the Board of FEU subsidiary FERN Realty Corporation and concurrently a Senior Adviser to the Board of Vicsal Development Corporation. She is a member of the boards of trustees of the Financial Executives Institute (FINEX) Foundation and the NextGen Organization of Women Corporate Directors (NOWCD), where she holds the position of Vice President. She is also a Board Adviser to Justice Reform Initiative Inc. (JRI) where she was the former Chairperson since its inception. She is a former director of Ayala Land Inc. and ACEN Corporation from 2020 until April 2023. She also held the positions of President and Director of the ALFM Mutual Funds Group, and Trustee and Fellow of the Institute of Corporate Directors (ICD) from 2012 to 2021. In addition to her background as a Chief Finance Officer and currently as a Board Director, she also held previous positions in management operations and is an accredited lecturer of both ICD and the FINEX Academy. She was the Chief Finance Officer and Chief Administration Officer of IMI from January 2009 to July 2010. She was then a Managing Director of Ayala Corporation and had served in various capacities in Ayala Corporation, Ayala Land, Inc., and Manila Water Company, Inc. She co-led the Initial Public Offering (IPO) teams of Ayala Land, Inc., Cebu Holdings, Inc., Manila Water, and IMI. Ms. Nuesa received a Master of Business Administration degree from the Ateneo Graduate School of Business in Manila. She also attended post-graduate courses in Harvard Business School and in Stanford University. She graduated summa cum laude in 1974, with a degree of Bachelor of Science in Commerce from the Far Eastern University, which named her as one of its Outstanding University Alumni. A Certified Public Accountant, she was awarded as the ING-FINEX CFO of the Year for 2008.

**Nominees to the Board of Directors for election at the stockholders' meeting:**

Except for Ms. Maria Theresa Marcial-Javier, all the others are incumbent directors.

**Maria Theresa Marcial-Javier**, Filipino, 53, is currently the Chief Finance Officer, Chief Sustainability Officer, and Head of Strategy and Finance of BPI. She is a fellow of the Foundation for Economic Freedom, trustee and Treasurer of the World Wide Fund for Nature (WWF). She is also the Treasurer of BPI Foundation and a Director at Philippines Inter-Island Sailing Federation. She joined BPI in 1995 and has cultivated 26 years of banking experience with expertise in strategic planning and finance, corporate banking, debt and equity capital markets, portfolio management, trust, and retail wealth management. She previously served on the BPI Trust Committee and the board of BPI Investment Management, Inc. She is also currently the President and CEO of BPI Wealth. Prior to joining BPI, Ms. Marcial was with the National Economic and Development Authority and the Agricultural Policy Credit Council. She previously served as President of the Fund Manager's Association of the Philippines, Trust Officers Association of the Philippines, Vice Chairman of Capital Markets and Development Committee of FINEX, alternate Governor of the Market Governance

Board of the Philippine Dealing and Exchange Corporation. She obtained her Master's Degree in Economics in 1995 from UP Diliman, and her bachelor's degree in Economics in 1990 from UP Los Banos graduating cum laude. She completed the Advanced Management Program at Harvard Business School in 2010 and the CFA Institute Investment Management Workshop also at Harvard Business School in 2006.

### **Management Committee Members / Key Executive Officers**

Carol T. Mills*	President and Chief Executive Officer
Ma. Teresa R. Famy	Treasurer and Chief Finance Officer
Franchette M. Acosta	Corporate Secretary
Ma. Florence Therese dG. Martirez-Cruz	Assistant Corporate Secretary and Chief Compliance Officer
Roscoe M. Pineda	Data Protection Officer
Rowena P. Libunao	Chief Audit Executive
Maphilindo S. Tandoc	Chief Risk Officer
<i>*Member of the Board of Directors</i>	

**Ma. Teresa R. Famy**, Filipino, 58, is the Treasurer, Chief Finance Officer, and Chief Compliance Officer of the Company. She was appointed as the Chief Finance Officer and Chief Compliance Officer effective July 1, 2021, and as Treasurer of the Company effective August 12, 2021. She has been with the ALI Group for 14 years. Prior to her appointment in the Company, Ms. Famy was the Chief Finance Officer of the AyalaMalls Group, Alveo Land Corp., Ayala Land Premier, and Avida Land Corp. Prior to joining the ALI Group, Ms. Famy assumed various roles in Finance in companies engaged in manufacturing and worked as an Auditor for SyCip Gorres Velayo and Co. She is a Certified Public Accountant and holds a Bachelor of Science in Commerce degree from Divine Word College, Legazpi City.

**Franchette M. Acosta**, 51, Filipino, is the Corporate Governance Group Head and Chief Legal Officer of Ayala Corporation. She is a practicing lawyer for 24 years, with 18 years in Villaraza & Angango Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Law Department. Ms. Acosta was an Assistant Secretary at the Office of the Chief Presidential Legal Counsel, Office of the President of the Republic of the Philippines from 2001 to 2003. She is recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific, and the Legal 500. She is a consistent Asia Business Law Journal's top 100 lawyers of the Philippines. Ms. Acosta graduated from New York University with Master of Laws in 2003. She ranked 3<sup>rd</sup> in the Philippine Bar Examination and earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated magna cum laude.

**Ma. Florence Therese dG. Martirez-Cruz**, Filipino, 38, has served as the Assistant Corporate Secretary of AREIT, Inc. since November 14, 2022, and Chief Compliance Officer of the AREIT, Inc. since April 26, 2023. She is the Corporate Secretary of Ayalaland Logistics Holdings Corp. and AREIT Fund Managers, Inc., and concurrently the Head of Legal of AREIT, Inc. and Ayalaland Offices, Inc. She is also the Assistant Corporate Secretary and Compliance Officer for Anti-Money Laundering of Ayala Land, Inc., and the lead lawyer for Ayala Land's Leasing and Hospitality Group, and Ayala Land Legal's Banking, Finance, Securities, and Special Projects group. Prior to joining Ayalaland Offices, Inc. in 2021, she was a Senior Counsel and Counsel for AG Counselors Corporation, from 2019 to 2021, and 2016 to 2019, respectively. Prior to joining the Ayala Land Group, she worked as an Associate at the Leynes Lozada-Marquez Law Offices and as a legal consultant in the Office of Senator Maria Lourdes Binay. She graduated from the University of the Philippines in 2007 with a Bachelor of Arts degree in Public Administration, and obtained her Juris Doctor in 2011 from the same University. She finished the Program on Negotiation and Leadership at Harvard Law School in 2019 and the Certification Course for Compliance Officers by the Center for Global Best Practices in 2022.

**Roscoe M. Pineda**, Filipino, 51, has served as the Data Protection Officer of our Company since January 1, 2024. He is a Vice President and the Information Technology Director of the Residential Business Group of Ayala Land, Inc. effective on March 1, 2023. He assumed the Chief Information Officer (CIO) position for the ALI Group effective on October 1, 2023. Mr. Pineda was the Service Center Lead for Technology and was also the Chief Operating Officer of ANZ Global Services and Operations in Manila. He was the Chief



Shared Services Officer of the Asia Service Centre of Sun Life of Canada, and was a VP of CHARTIS Technology and Operations Management Corp. (AIG Shared Services) in various senior roles. He was a member of the Board of Trustees of the Global In-house Centers Council of the Philippines, a company delegate and representative of the IT & Business Process Association of the Philippines and Contact Center Association of the Philippines. He is a bona fide member of the PMI.org and currently a Certified Project Management Professional. Mr. Pineda has a Bachelor's Degree in Mathematics, Major in Computer Science from the University of Santo Tomas.

**Rowena P. Libunao**, Filipino, 46, is currently the audit lead for Corporate, Offices, Malls, Hotels and Resorts. She has been with ALI Internal Audit for almost 13 years. Prior to joining Ayala Land, she worked as Internal Auditor for various companies engaged in banking, petroleum and stock exchange. She is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), and a member of the Institute of Internal Auditors Philippines (IIAP). She holds a Bachelor of Science degree in Accountancy from the Pamantasan ng Lungsod ng Maynila.

**Maphilindo S. Tandoc**, Filipino, 60, is currently Ayala Land's Assistant Vice President and Chief Risk Officer under the office of the Chief Finance Officer. He started his career as a registered mechanical engineer and was first engaged in the contracting industry in 1986 at Koldwinds Systems Inc. (KSI), a company specializing in industrial heating, ventilating, air-conditioning and refrigerating (HVACR) systems where he handled installation, retrofit and maintenance projects. He joined PLDT Co., in 1989 as a Safety Engineer and eventually managed PLDT's Corporate Safety, Security and Environmental Management Divisions. In 2000, he was promoted as corporate Risk Manager, a role he performed up to 2004. From 2004 to 2006, he worked for Asian Terminals, Inc. (ATI), then P&O Ports Australian subsidiary, as Risk and Insurance Management Officer. In March 2006 joined Ayala Land, Inc. (ALI) as the company's Risk Insurance Manager. He was promoted in 2012 to be the Company's Chief Risk Officer (CRO) managing enterprise-wide risk management programs. He functionally reports directly to the company's Board Risk Oversight Committee and administratively reports to the company's Chief Finance Officer. Aside from handling enterprise-wide risk management programs, he is also managing on concurrent basis the company's vast portfolio of insurance programs and is designated as the corporate Safety Officer of the company. He is a DOLE accredited occupational safety and health consultant and was one of the founding members of the Association of Safety Practitioners of the Phils., Inc. (ASPPPI) in 1999 where he eventually became the Chairman until he exited in 2008. He is currently a Board Director of the Safety Organization of the Phils., Inc. (SOPI) and CRO of both ALI and AREIT.

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **OMAR T. CRUZ**, Filipino, of legal age and a resident of 408 Calo Street, Ayala Alabang Village, Alabang, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **AREIT, INC.**, (the "Corporation") for its Annual Stockholders' Meeting on April 23, 2024 and have been its Independent Director since April 12, 2019.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
CRUZ-FABZ FOOD CORP.	President & Chairman	2019-Present
ABACORE Capital Holdings, Inc.	Independent Director	2019-Present
De La Salle Philippines	Investment Committee Chairman	2018-Present
Financial Executives Institute Foundation of the Philippines	Trustee	2016-Present
University of Asia and the Pacific	Vice Chairman of the Board and Board Executive Committee Member	2016-Present
Philippine National Police Foundation, Inc.	Trustee	2016-Present
Center for Research and Communication Foundation, Inc.	Vice Chairman of the Board and Board Executive Committee Member	2016-Present
Philippine Regional Investment Enterprises Inc.	Independent Director	2019-Present
RCBC Capital Corporation	Independent Director	2021-Present
Toyota Philippines Financial Services, Inc.	Independent Director	2021-Present

I am not affiliated with any of Government-Owned and Controlled Corporation.

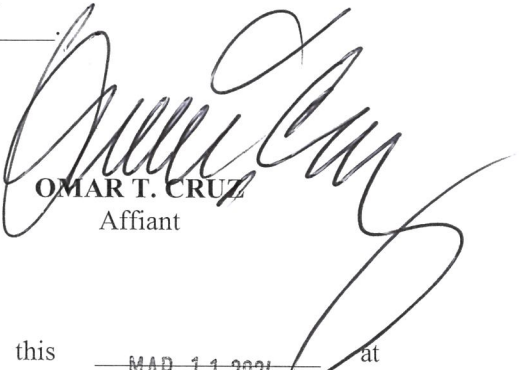
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N.A.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this MAR 11 2024 at MAKATI CITY


  
**OMAR T. CRUZ**  
Affiant

SUBSCRIBED AND SWORN to before me this MAR 11 2024 at MAKATI CITY affiant personally appeared before me and exhibited to me his Senior ID No. 30835 issued on 10 December 2014 at Manila, Philippines.

Doc No. 81 ;  
Page No. 18 ;  
Book No. LV ;  
Series of 224 .

Notarial DST pursuant to Sec. 61  
of the TRAIN Act (amending  
Sec. 188 of the NIRC)  
affixed on Notary Public's copy.



  
**ROBERTO T. ONGSIAKO**  
Notary Public - Makati City  
Appt. No. M-056 until December 31, 2024  
Roll of Attorneys No. 37041  
Lifetime IBP No. 02163 - RSM Chapter  
PTR No. 10075604 - 01/02/2024 - Makati City  
MCLE Compliance No. VIII - 0000591 - 09/30/2022  
4th Floor Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ENRICO S. CRUZ**, Filipino, of legal age and a resident of 37 Radish Street, Valle Verde 5, Pasig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **AREIT, INC.**, (the "Corporation") for its Annual Stockholders' Meeting on April 23, 2024 and have been its Independent Director since February 05, 2020.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Security Bank Corporation	Independent Director	August 1, 2019 to present
Maxicare Health Corporation	Independent Director	August 14, 2019 to present
SB Capital Corporation	Vice Chairman Independent Director	May 2020 to present
CIBI Information, Inc.	Independent Director	July 2020 to present
The Keepers Holdings, Inc.	Independent Director	November 2020 to present
DITO CME Holdings, Inc.	Independent Director	December 2021 to present
Robinsons Retail Holdings, Inc.	Independent Director	April 2022 to present
MAXILIFE Insurance Corporation	Independent Director	July 2022 to present

I am not affiliated with any of Government-Owned and Controlled Corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N.A.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

MAR 11 2024

Done, this \_\_\_\_\_ at MAKATI CITY.

**ENRICO S. CRUZ**  
Affiant

SUBSCRIBED AND SWORN to before me this MAR 11 2024 at MAKATI CITY, affiant personally appeared before me and exhibited to me his Passport No. P73414470 issued on 04 August 2021 at DFA NCR North

Doc No. 82 ;  
Page No. 18 ;  
Book No. XXI ;  
Series of 2024 .



**RIZZA ANNE O. SY**  
Notary Public – Makati City  
Appt. No. M-057 until December 31, 2024  
Roll of Attorneys No. 64676  
Lifetime IBP No. 018509 – 01/04/18 – Bulacan  
PTR No. 10075606MK – 01/02/2024 – Makati City  
MCLE Compliance No. VIII-0000243 – 08/26/2024  
38th Floor, Ayala Triangle Gardens Tower 2  
Paseo de Roxas cor. Makati Avenue  
Makati City, Philippines

Notarial DST pursuant to Sec. 61  
of the TRAIN Act (amending  
Sec. 188 of the NIRC)  
affixed on Notary Public's copy.

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **SHERISA P. NUESA**, Filipino, of legal age and a resident of 306 Lian Street, Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **AREIT, INC.**, (the "Corporation") for its Annual Stockholders' Meeting on April 23, 2024 and have been its Independent Director since April 26, 2023.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Manila Water Company, Inc.	Independent Director	April 2013 to date
AREIT, Inc.	Independent Director	April 2023 to date
Far Eastern University, Inc.	Director	August 2010 to date
FERN Realty Corporation	Director	August 2012 to date
Metro Retail Stores Group, Inc.	Director	October 2023 to date
Vicsal Development Corporation	Senior Board Adviser	March 2012 to date
Justice Reform Initiative (JRI)	Board Adviser	May 2017 to date
Financial Executives Institute (FINEX) Foundation	Board Trustee	
NextGen Organization of Women Corporate Directors	Vice President, Board Trustee	September 2021 to date

I am not affiliated with any of Government-Owned and Controlled Corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N.A.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.


Done, this MAR 11 2024 at MAKATI CITY.

  
**SHERISA P. NUESA**  
Affiant

SUBSCRIBED AND SWORN to before me this MAR 11 2024 at MAKATI CITY,  
affiant personally appeared before me and exhibited to me her Passport No. P8595622A issued on 04  
September 2018 at DFA Manila.

Doc No. 83 ;  
Page No. 18 ;  
Book No. XXI ;  
Series of 2024 .



  
**RIZZA ANNE O. SY**  
Notary Public – Makati City  
Appt. No. M-057 until December 31, 2024  
Roll of Attorneys No. 64676  
Lifetime IBP No. 018509 – 01/04/18 – Bulacan  
PTR No. 10075606MK – 01/02/2024 – Makati City  
MCLE Compliance No. VIII- 0000243 – 08/26/2022  
38th Floor, Ayala Triangle Gardens Tower 2  
Paseo de Roxas cor. Makati Avenue  
Makati City, Philippines

Notarial DST pursuant to Sec. 61  
of the TRAIN Act (amending  
Sec. 188 of the NIRC)  
affixed on Notary Public's copy.





**CERTIFICATION**

I, MA. FLORENCE THERESE dG. MARTIREZ-CRUZ, Filipino, of legal age, with office address at 28<sup>th</sup> Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Ave., Makati City, after having been duly sworn in accordance with law, hereby depose and state:

1. I am the Assistant Corporate Secretary of AREIT, INC. (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at 28<sup>th</sup> Floor, Tower One and Exchange Plaza, Ayala Avenue, Makati City;
2. I hereby certify that none of the directors and officers of the Corporation is connected with any Philippine government agency or in any of its instrumentality;
3. Mr. Augusto D. Bengzon, a Director of the Corporation, is a Trustee of the Philippine National Police ("PNP") Foundation, Inc.<sup>1</sup> There is no employer-employee relationship between the PNP and Mr. Bengzon and the latter does not receive any compensation from the PNP.
4. This Certification is being issued in compliance with the requirements of the Securities and Exchange Commission for the filing of Corporation's Information Statement (SEC Form 20-IS) for the 2024 annual stockholders' meeting.

Done this MAR 18 2024 at Makati City.

  
 MA. FLORENCE THERESE dG. MARTIREZ-CRUZ  
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAR 18 2024 at MAKATI CITY, the affiant exhibited to me, as competent evidence of identity, her SSS UMID ID No. 011103606313-0 issued by Social Security Services, Philippines.

Doc No. 108;  
 Page No. 23;  
 Book No. W;  
 Series of 2024.



**ROBERTO T. ONGSLAKO**  
 Notary Public – Makati City  
 Appt. No. M-056 until December 31, 2024  
 Roll of Attorneys No. 37041  
 Lifetime IBP No. 02163 – RSM Chapter  
 PTR No. 10075604 – 01/02/2024 - Makati City  
 MCLF Compliance No. VIII – 0000591 – 09/30/2022  
 4<sup>th</sup> Floor Tower One and Exchange Plaza  
 Ayala Triangle, Ayala Avenue  
 Makati City, Philippines

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Notary Public's copy.

<sup>1</sup> PNP Foundation is a private foundation, and not a government agency or connected to the government in any way.



## ANNEX “C”

### I. MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) OF FINANCIAL CONDITION AND RESULTS OF OPERATION

#### **Review of FY 2023 operations vs FY 2022**

The Company’s net income increased by 74% from ₱2,887.56 million in 2022 to ₱5,030.54 million in 2023. Net income before net fair value change in investment increased by 43% from ₱3,436.52 million in 2022 to ₱4,931.29 million in 2023. The increase was mainly due to income from additional properties acquired in 2022 and 2023.

#### **Revenues**

Total revenues increased by 41% from ₱5,072.85 million in 2022 to ₱7,140.34 million in 2023. This was contributed by higher rental income and net dues from the additional properties acquired in fourth quarter of 2022 and third quarter of 2023.

Rental income increased by 43% from ₱3,807.53 million in 2022 to ₱5,438.89 million in 2023. The increase was primarily attributable to the additional properties, namely, Ebloc Towers 1 to 4, ACC Tower, and Tech Tower, which the company acquired in the fourth quarter of 2022 and One Ayala West and East Towers, Glorietta 1 and 2 BPO, Glorietta 1&2 Mall, and Marquee Mall, acquired in the third quarter of 2023.

Dues increased by 20% from ₱1,042.99 million in 2022 to ₱1,250.61 million in 2023. The increase was driven by the operations of new assets acquired in 2022 and 2023.

Interest income from finance lease increased by 103% from ₱222.32 million in 2022 to ₱450.83 million in 2023. The increase was mainly due to the newly executed lease contracts between the Company and AyalaLand Malls, Inc. (“ALMI”) for the building lease of Glorietta 1&2 mall and between the Company and Northbeacon Commercial Corp. (“NBCC”) for the building lease of Marquee Mall, both of which commenced on July 1, 2023.

#### **Cost and Expenses**

Direct operating expenses increased by 45% from ₱1,359.80 million in 2022 to ₱1,978.49 million in 2023. The increase is in line with the increase in rental income due to additional properties acquired by the Company.

General and administrative expenses increased by 59% from ₱79.49 million in 2022 to ₱126.35 million in 2023, mainly due to additional provisions for doubtful accounts.

#### **Other income (charges)**

Interest Income increased by 290% from ₱34.33 million in 2022 to ₱133.83 million in 2023. The increase was mainly due to higher interest income from intercompany loans, which increased from ₱33.71 million in 2022 to ₱128.50 million in 2023.

Interest expense and other charges increased by 2% from ₱231.24 million in 2022 to ₱236.97 million in 2023. Interest expense on loans recognized amounted to ₱93.94 million and ₱100.25 in 2023 and 2022, respectively, interest expense from finance lease amounting to ₱84.13 million and ₱81.83 million in 2023 and 2022, respectively and accretion of security deposit amounting to ₱34.78 million in 2023 and ₱26.29 million in 2022.

Other charges amounted to ₱24.12 million in 2023 and ₱22.88 million in 2022. This mainly pertain to amortization of bond issue costs.

#### **Net Fair Value Change in Investment Property**

In 2023, the Company recognized an increase in fair value in investment properties of ₱99.25 million and a reduction of (₱548.95 million) in 2022.

**Provision for Income Tax**

Provision for income tax, the Company started to avail of its tax incentive as REIT after its listing in August 2020. As of December 31, 2022 and 2021, deferred tax assets and liabilities are recognized based on effective income tax rate of 0% under REIT law. The Company recognized final tax from interest income earned from banks amounting to ₱1.07 million and ₱0.12 million in 2023 and 2022, respectively.

**Capital Expenditure**

The Company has no material commitments for capital expenditures.

**Property Performance as of Dec 31 2023**

Property	Location	Valuation Date	Valuation cost <sup>1</sup> (in Pesos, millions)	Total gross leasable area (GLA) (in sq.m)	Occupied GLA (in sq.m)	Occupancy rate	Remaining Land lease term	Rental Income <sup>2</sup> (in Pesos, millions)	Gross Revenues (in Pesos, millions)
Solaris	Makati	Dec 2023	7,056	46,768	45,740	98%	25	636	734
Ayala North Exchange	Makati	Dec 2023	9,744	95,314	86,086	90%	35	793	1,035
MECC	Makati	Dec 2023	1,720	10,688	10,117	95%	31	131	178
TP Cebu	Cebu	Dec 2023	1,827	18,093	18,093	100%	28	164	210
The 30th	Pasig	Dec 2023	4,659	74,704	74,704	100%	33	403	548
Laguna Technopark Land	Laguna	Dec 2023	1,489	98,179	98,179	100%	n/a	82	90
Vertis	Quezon City	Dec 2023	16,353	164,450	163,971	100%	34	1,168	1,539
BPI- Philam Makati	Makati	Dec 2023	178	1,072	660	62%	n/a	-	0
BPI- Philam Alabang	Muntinlupa	Dec 2023	27	551	551	100%	n/a	6	9
Bacolod Capitol	Negros Occidental	Dec 2023	783	11,313	11,313	100%	38	68	89
Ayala Northpoint	Negros Occidental	Dec 2023	318	4,654	4,654	100%	35	26	31
Evotech	Laguna	Dec 2023	2,833	23,727	23,727	100%	35	184	287
eBloc Towers 1 to 4	Cebu	Dec 2023	7,890	79,640	78,499	99%	35	614	858
ACC Tower	Cebu	Dec 2023	2,024	27,458	26,365	96%	35	202	208
Tech Tower	Cebu	Dec 2023	1,011	16,273	12,852	79%	35	85	100
One Ayala West and East Towers	Makati	Dec 2023	12,854	70,995	69,978	99%	41	532	666
Glorietta 1&2 BPOs and Mall	Makati	Dec 2023	8,389	108,790	108,365	100%	36	259	467
Marque Mall	Pampanga	Dec 2023	2,070	66,041	66,041	100%	25	-	90

<sup>(1)</sup> Valuation based on latest appraisal reports using Income approach and does not include portion of ANE Seda, The 30th Mall, Vertis Mall, Glorietta 1&2 Mall, and Marque Mall which are accounted for under finance lease

<sup>(2)</sup> Exclusive of interest income from finance lease

## **Summary of Real Estate Transactions for 2023**

On September 20, 2023, the Company, received the approval of the Securities and Exchange Commission (SEC) of the property-for-share swap, specifically the subscription of ALI, ALMI and to 607,559,380 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, pursuant to the Deed of Exchange dated 02 June 2023.

In line with this, the parties have executed an Amendment to Section 4.2 of the Deed of Exchange on 20 September 2023 so that the recognition of income from the new assets will accrue to AREIT beginning 01 July 2023.

## **Financial Condition**

The Company's balance sheet remains healthy to support the financial and operational requirements during this period.

As of December 31, 2023, the Company's total borrowings registered at ₱3.0 billion which translated to a debt-to-equity ratio of 0.04:1.

Return on equity was at 7% as of December 31, 2023.

<b>Key Financial Ratios</b>	<b>2023</b>	<b>2022</b>
Current Ratio <sup>(1)</sup>	0.90	0.43
Debt to Equity <sup>(2)</sup>	0.04	0.05
Profitability Ratios		
Return on Asset <sup>(3)</sup>	6%	5%
Return on Equity <sup>(4)</sup>	7%	5%
Asset to Equity Ratio <sup>(5)</sup>	1.12	1.13
<sup>(1)</sup> Current assets/current liabilities <sup>(2)</sup> Total debt/Average Stockholder's equity <sup>(3)</sup> Total Net Income/Total Average Assets <sup>(4)</sup> Total Net Income/Average Stockholder's equity <sup>(5)</sup> Total asset/Total Stockholder's equity		

- The Company's fixed-rate bond expired on December 28, 2023. This was refinanced through availment of a short- term bank loan. To manage liquidity risk, the Company has available credit lines with various banks amounting to P23.0 billion. The Company may also refinance its loan and manage the payment terms for its payables.
- There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.
- No known trend, event, or uncertainty has had or is reasonably expected to materially impact the net sales, revenues, or income from continuing operations.
- There is no significant element of income arising from continuing operations.
- There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations.
- No known events and uncertainties will trigger direct or contingent financial obligation material to the Company, including any default or acceleration of an obligation.
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

## **LIQUIDITY AND CAPITAL RESOURCES**

**For Year Ended December 31, 2023 versus For Year Ended December 31, 2022**

The Company ended a net decrease in cash of ₱20.99 million for the year ended December 31, 2023.

Net cash flows provided by operating activities amounted to ₱6,537.79 million and ₱3,933.43 million for the year ended December 31, 2023 and 2022, respectively. The increase is mainly due to higher collections contributed by additional properties.

Cash flows used in Investing activities amounted to ₱1,936.75 million and ₱263.05 million for the year ended December 31, 2023 and 2022, respectively. The increase mainly due to higher due from related parties and additions to investment properties.

Cash flows used in Financing activities amounted to ₱4,622.03 and ₱3,699.64 million for the year ended December 31, 2023 and 2022. This pertains mainly to dividends and short-term loans.

### **Causes for any material changes (+/- 5% or more) in the financial statements**

#### **Assets**

Cash decreased by 33%, primarily due to cash flows used in investing and financing activities, such as repaying short-term loans and paying dividends.

Receivables—current and noncurrent portion—increased by 169%, mainly due to additional properties. Higher finance lease receivables were contributed by the newly executed contracts for the building leases of Glorietta 1&2 Mall and Marquee Mall.

Other current assets increased by 14% due to higher input VAT classified as current.

Investment properties increased by 29% mainly due to the acquisition of additional properties namely, One Ayala East and West Towers, Glorietta 1&2 BPO and Mall, and Marquee mall.

Property and equipment increased by 76% due to the acquisition of new office equipment.

Other noncurrent assets decreased by 5% due to lower input VAT classified as noncurrent.

#### **Liabilities**

The outstanding short-term loans amounted to ₱3.0 billion as of December 31, 2023.

Accounts and other payables increased by 100%, mainly due to additional payables from additional properties.

The current portion of deposits and other liabilities increased by 23%, mainly due to additional deposits from newly acquired assets.

The current portion of lease liability increased by 8%. The total cash outflow related to leases amounted to ₱53.90 million and ₱49.23 million in 2023 and 2022, respectively, composed of principal payment and interest on lease liabilities.

Construction bonds amounted to ₱95.69 million as of December 31, 2023. This pertains to cash bonds collected from tenants, to be used as a guarantee against damages to properties resulting from the construction, renovation or improvements being undertaken therein.

The noncurrent portion of deposits and other liabilities increased by 90%, mainly due to increased security deposit and advance rent from the tenants of newly acquired properties.

#### **Equity**

Total equity of ₱83,409.84 million as of December 31, 2023, 39% higher than December 31, 2022 at ₱60,072.89 million, due to increase in paid-up capital from ₱17,610.47 million in 2022 to ₱24,359.37 million in 2023, increase in additional paid-in capital from ₱20,021.65 million in 2022 to ₱36,320.03 million in 2023. Retained earnings increased from ₱22,440.77 million in 2022 to ₱23,403.74 million in 2023.

## **Review of FY 2022 operations vs FY 2021**

The Company's net income before net fair value change in investment properties and gain under finance lease increased by 55% from ₱2,219.00 million in 2021 and ₱3,436.524 million in 2022. The increase was mainly due to income from additional properties acquired in 2021 and 2022, as well as rental escalations. The Company's net income after tax increased by 19% from ₱2,433.27 million in 2021 to ₱2,887.56 million in 2022.

### **Revenues**

Total revenues increased by 53% from ₱3,316.46 million in 2021 to ₱5,072.85 million in 2022. This was mainly driven by higher rental income and net dues.

*Rental Income* increased by 52% from ₱2,506.91 million in 2021 to ₱3,807.53 million in 2022. The increase was primarily attributable to the addition of Vertis Office Towers and Mall, One and Two Evotech, Bacolod Capitol, Bacolod Ayala Northpoint, Makati FGU and Alabang FGU, which were added to the Company's portfolio in October 2021 and Eblor Towers 1 to 4, ACC Tower and Tech Tower in October 2022.

*Dues* increased by 68% from ₱621.01 million in 2021 to ₱1,042.99 million in 2022. The increase was attributable to the operations of new assets acquired in October 2021 and 2022.

*Interest income from finance lease*, increased by 18% from ₱188.55 million in 2021 and ₱222.32 million in 2022. This is attributable to the long-term lease of Makati North Hotel Ventures, Inc. with the Company, which commenced in September 2019 and long-term leases of North Eastern Commercial Corp with the Company, for The30th Mall which commenced in January 1, 2021 and October 1, 2021 for Vertis Mall.

### **Net Fair Value Change in Investment Property**

In 2021, the Company voluntarily changed its accounting policy on investment properties from cost model to fair value model which requires restatement of previous financial statements. The change will provide the users of the financial statements a more relevant information as it reflects the current valuation of the Company as a REIT entity.

In 2022, the Company recognized a reduction in fair value in investment properties of (₱548.95 million) and an increase of ₱164.50 million in 2021.

### **Cost and Expenses**

*Direct operating expenses* increased by 67% from ₱815.87 million in 2021 to ₱1,359.80 million in 2022. The increase was primarily attributable to an increase in taxes and licenses of ₱158.50 million, increase in management fee of ₱130.78 million, increase in land lease of ₱93.07 million, increase in repairs and maintenance of ₱82.07 million and increase in outside services of ₱55.12 million. These increases were related to the operations of additional properties acquired in October 2021 and 2022.

*General and administrative expenses* decreased by 23%, from ₱103.40 million to ₱79.49 million mainly due to lower taxes related to loans.

### **Other Income (charges)**

*Gain under finance lease* amounted to ₱49.76 million in 2021. In January 2021, the Company entered into a long-term building leases agreement with North Eastern Commercial Corp. for the lease of retail podiums in The 30th and Vertis developments. North Eastern Commercial Corp. (NECC) is wholly owned by Ayala Land, Inc. The Company classified the agreement as a finance lease. The Company remains to be the legal owner of the portion of the building under finance lease.

*Interest Income* increased by 376% from ₱7.21 million in 2021 to ₱34.33 million in 2022. The increase was mainly due to the increase in interest income from intercompany loans from ₱6.97 million in 2021 to ₱33.71 million in 2022.

*Interest expense* increased by 25% from ₱169.82 million in 2021 to ₱208.37 million in 2022. Interest expense on loans recognized amounted to ₱98.55 million and ₱58.59 in 2022 and 2021, respectively, interest

expense from finance lease amounting to ₱81.83 million and ₱63.01 million in 2022 and 2021, respectively and accretion of security deposit amounting to ₱26.29 million in 2022 and ₱24.87 million in 2021.

*Other charges* amounted to ₱22.88 million in 2022 and ₱15.54 million in 2021, this pertains to amortization of bond issue cost and PSE filing fee related to listing of property-for-shares transaction amounting to ₱15.46 million in 2021.

*Other income* amounted to ₱0.10 million in 2021, which pertains to income earned from interest and penalties arising from late payments.

### **Provision for Income Tax**

*Provision for income tax*, the Company started to avail of its tax incentive as REIT after its listing in August 2020. As of December 31, 2022 and 2021, deferred tax assets and liabilities are recognized based on effective income tax rate of 0% under REIT law. The Company recognized final tax from interest income earned from banks amounting to ₱0.12 million and ₱0.05 million in 2022 and 2021, respectively.

### **Capital Expenditure**

The Company has no material commitments for capital expenditures.

### **Summary of Real Estate Transactions for 2022**

On December 29, 2022, the Company, received the approval of the Securities and Exchange Commission (SEC) of the property-for-share swap, specifically the subscription of ALI to 252,136,383 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, pursuant to the Deed of Exchange dated 19 May 2022.

In line with this, the parties have executed an Amendment to Section 4.3 of the Deed of Exchange on 29 December 2022 so that the recognition of income from the new assets will accrue to AREIT beginning 01 October 2022.

### **Financial Condition**

The Company's balance sheet remains healthy to support the financial and operational requirements during this period.

As of December 31, 2022, the Company's total borrowings registered at ₱3.28 billion which translated to a debt-to-equity ratio of 0.05:1.

Return on equity was at 5% as of December 31, 2022.

<b>Key Financial Ratios</b>	<b>2022</b>	<b>2021</b>
Current Ratio <sup>(1)</sup>	0.43	0.67
Debt to Equity <sup>(2)</sup>	0.05	0.08
Profitability Ratios		
Return on Asset <sup>(3)</sup>	5%	6%
Return on Equity <sup>(4)</sup>	5%	5%
Asset to Equity Ratio <sup>(5)</sup>	1.13	1.16

<sup>(1)</sup> *Current assets/current liabilities*

<sup>(2)</sup> *Total debt/Average Stockholder's equity*

<sup>(3)</sup> *Total Net Income/Total Average Assets*

<sup>(4)</sup> *Total Net Income/Average Stockholder's equity*

<sup>(5)</sup> *Total asset/Total Stockholder's equity*

### **LIQUIDITY AND CAPITAL RESOURCES**

**For Year Ended December 31, 2022 versus For Year Ended December 31, 2021**

The Company ended a net decrease in cash of ₱29.26 million for year ended December 31, 2022, mainly from cash used in financing activities.

*Net cash flows provided by operating activities* amounted to ₱3,933.43 million and ₱2,210.58 million for the year ended December 31, 2022 and 2021, respectively. The increase mainly due to higher collections contributed by additional properties.

Cash flows used in *Investing activities* ~~used~~ amounted to ₱263.05 million and ₱4,137.57 million for the year ended December 31, 2022 and 2021, respectively. The higher disbursement in 2021 is due to the payment for additions to investment properties.

Cash flows used in *Financing activities* ~~used~~ amounted to ₱3,699.64 million in 2022 mainly due to payment of dividends and short-term loans. Cash flows ~~and~~ provided by financing activities in 2021 amounting to ₱1,960.02 million mainly due to net proceeds from long-term debt.

*Net decrease in cash* as of December 31, 2022 resulted to ₱29.26 million.

### ***Causes for any material changes (+/- 5% or more) in the financial statements***

#### **Assets**

*Cash* decreased by 32% primarily due to cash flows used in financing activities for repayment of short-term loan.

*Receivables- current* increased by 45% mainly due to additional properties.

*Other current assets* increased by 41% due to higher input VAT classified as current.

*Investment properties* went up by 22% mainly due to the acquisition of Cebu properties namely, eBloc Towers 1 to 4, ACC Tower, and Tech Tower.

*Property and equipment* went up by 93% due to the acquisition of new office equipment.

*Other noncurrent assets* decreased by 8% due to lower input vat classified as noncurrent.

#### **Liabilities**

*Short-term loans*, the outstanding short-term loans amounted to ₱3,277.69 million as of December 31, 2022. The ₱3.00 billion of which pertains to fixed rate bonds due on Dec 2023 at a rate equivalent to 3.0445% p.a. while the remaining loan pertains to unsecured and interest-bearing 30-day loans from various local banks with an interest rate of 5.5%

*Accounts and other payables*, increased by 101%, mainly due to additional payables from additional properties.

*Current portion of deposits and other liabilities* decreased by 28%, mainly due to lower advance payments from tenants.

*Current portion of lease liability* increased by 17%. The total cash outflow related to leases amounted to ₱49.23 million and ₱37.18 million in 2022 and 2021, respectively composed, of principal payment and interest on lease liabilities.

*Construction bonds*, amounted to ₱98.58 million as of December 31, 2022. This pertains to cash bonds collected from tenants, to be used as a guarantee against damages to properties resulting from the construction, renovation or improvements being undertaken therein.

*Noncurrent portion of deposits and other liabilities*, increased by 13%, mainly due to increase in security deposit and advance rent from the tenants of newly acquired properties.

#### **Equity**



Total equity of ₱60,072.89 million as of December 31, 2022, 23% higher than December 31, 2021 at ₱48,887.59 million, due to increase in paid-up capital from ₱15,089.11 million in 2021 to ₱17,610.47 million in 2022, increase in additional paid-in capital from ₱11,333.07 million in 2021 to ₱20,021.65 million in 2022. Retained earnings decreased from ₱22,465.41 in 2021 to ₱22,441 in 2022 due to the reduction in fair value of investment properties.

In 2021, the Company voluntarily changed its accounting policy for its investment properties from cost model to fair value model of accounting which was applied retrospectively. Amounts presented in the audited statement of financial position as of December 31, 2021 and 2020 and audited statement of comprehensive income for the years ended December 31, 2021, 2020 and 2019 were restated to reflect the impact of the change in accounting policy.

### **Review of 2021 operations vs 2020**

The Company's net income before change in fair value and reversal of deferred tax increased by 56% from ₱1,452.71 million in 2020 and ₱2,268.76 million in 2021. The increase was mainly due to income from additional properties acquired in 2021. The Company's net income after tax decreased by 61% from ₱6,264.81 million in 2020 to ₱2,433.27 million in 2021. The decrease was primarily driven by the net fair value change in investment property and impact of 0% effective income tax rate in computing deferred taxes.

### **Revenues**

Total revenues increased by 63% from ₱2,035.92 million in 2020 to ₱3,316.46 million in 2021. This was mainly driven by higher rental income and net dues.

*Rental Income* increased by 68% from ₱1,495.72 million in 2020 to ₱2,506.91 million in 2021. The increase was primarily attributable to the addition of The 30<sup>th</sup> and Laguna Technopark lots in January 2021 and addition of Vertis Office Towers and Mall, One and Two Evotech, Bacolod Capitol, Bacolod Ayala Northpoint, Makati FGU and Alabang FGU, which were added to the Company's portfolio in October 2021.

*Dues* increased by 59% from ₱389.38 million in 2020 to ₱621.01 million in 2021. The increase was attributable to the operations of new assets acquired in 2021.

*Interest income from finance lease*, increased by 25% from ₱150.81 million in 2020 and ₱188.55 million in 2021. This is attributable to the long-term lease of Makati North Hotel Ventures, Inc. with the Company, which commenced in September 2019 and long-term leases of North Eastern Commercial Corp with the Company, for The30th Mall which commenced in January 1, 2021 and October 1, 2021 for Vertis Mall.

### **Net Fair Value Change in Investment Property**

In 2021, the Company voluntarily changed its accounting policy on investment properties from cost model to fair value model which requires restatement of previous financial statements. The change will provide the users of the financial statements a more relevant information as it reflects the current valuation of the Company as a REIT entity.

In 2021, the Company recognized a net fair value change in investment property of ₱164.50 million and ₱1,424.65 million in 2020.

### **Cost and Expenses**

*Direct operating expenses* increased by 84% from ₱444.07 million in 2020 to ₱815.87 million in 2021. The increase was primarily attributable to an increase in management fee of ₱169.44 million, an increase in taxes and licenses of ₱65.11 million, increase in land lease of ₱58.41 million, increase in repairs and maintenance of ₱45.21 million and increase in outside services of ₱23.25 million. These increases were related to the operations of additional properties acquired in 2021.

*General and administrative expenses* increased by 109%, from ₱49.47 million to ₱103.40 million mainly due to provision for probable losses amounting to ₱33.00 million in 2021 and increase in provision for doubtful accounts of ₱15.27 million.

### **Other Income (charges)**

*Gain under finance lease* amounted to ₱49.76 million in 2021. In January 2021, the Company entered into a long-term building leases agreement with North Eastern Commercial Corp. for the lease of retail podiums in The 30th and Vertis developments. North Eastern Commercial Corp. (NECC) is wholly owned by Ayala Land, Inc. The Company classified the agreement as a finance lease. The Company remains to be the legal owner of the portion of the building under finance lease.

*Interest Income* decreased by 91% from ₱78.67 million in 2020 to ₱7.21 million in 2021. The decrease was mainly due to the decrease in interest income from intercompany loans from ₱78.31 million in 2020 to ₱6.97 million in 2021.

*Interest expense* increased by 160% from ₱65.42 million in 2020 to ₱169.82 million in 2021. The increase was primarily attributable to the recognition of interest expense on loans amounting to ₱81.94 million in 2021, interest expense from finance lease amounting to ₱63.01 million and ₱51.49 million in 2021 and 2020, and accretion of security deposit amounting to ₱24.87 million in 2021 and ₱13.93 million in 2020.

*Other charges* amounted to ₱15.64 million in 2021 pertains to amortization of bond issue cost amounting to ₱0.18 million and PSE filing fee related to listing of property-for-shares transaction amounting to ₱15.46 million in 2021.

*Other income* decreased by 97% from ₱3.66 million in 2020 to ₱0.10 million in 2021. This pertains to income earned from interest and penalties arising from late payments.

### **Provision for Income Tax**

*Provision for income tax*, the Company recognized a tax benefit in 2020 amounting to ₱3,280.88 and tax payable of ₱0.05 million in 2021. The 2020 tax benefit is a result of the restatement of 2020 balances following the change to fair value accounting. The Company started to avail of its tax incentive as REIT after its listing in August 2020. As of December 31, 2021 and 2020, deferred tax assets and liabilities are recognized based on effective income tax rate of 0% under REIT law.

### **Capital Expenditure**

AREIT acquired parcels of land in Laguna Technopark from Technopark Land, Inc. on January 5, 2021 for a total amount of ₱987.98 million VAT exclusive. The Company also acquired the 30th from Ayala Land, Inc. on January 15, 2021 for a total amount of ₱4,564.34 million VAT exclusive.

The Company has no material commitments for capital expenditures.

### **Summary of Real Estate Transactions for 2021**

On January 5, 2021, AREIT entered into a Deed of Absolute Sale with Technopark Land, Inc. to acquire 98,179 sq.m. of land for ₱1.1 billion (VAT-inclusive) located in Laguna Technopark is being leased by Integrated Micro-Electronics, Inc. for its manufacturing operations. The price was derived from a third-party valuation, using the market approach with a yield of 6.28% based on total acquisition cost.

On January 15, 2021, AREIT entered into a Deed of Sale with Ayala Land Inc. for the acquisition of The 30th for ₱5.1 billion (VAT-inclusive). The price was derived from a third-party valuation, using the income approach with an EBITDA yield of 6.1% based on total acquisition cost. The Property is located along Meralco Avenue in Pasig City, which has a building with a total GLA of 74,704 sq.m. composed of an office tower and a retail podium.

On October 7, 2021, the Company, received the approval of the Securities and Exchange Commission (SEC) of the property-for-share swap, specifically the subscription of ALI and its subsidiaries, Westview Commercial Ventures Corp. and Glensworth Development, Inc. (collectively referred to as Subsidiaries) to 483,254,375 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, pursuant to the Deed of Exchange dated 08 June 2021.

In line with this, the parties have executed an Amendment to Section 4.2 of the Deed of Exchange on 07 October 2021 so that the recognition of income from the new assets will accrue to AREIT beginning 01 October 2021, instead of 01 November 2021.

## **Financial Condition**

The Company's balance sheet remains healthy to support the financial and operational requirements during this period.

As of December 31, 2021, the Company total borrowings registered at ₱3.85 billion which translated to a debt-to-equity ratio of 0.08:1.

Return on equity was at 5% as of December 31, 2021.

<b>Key Financial Ratios</b>	<b>2021</b>	<b>2020</b>
Current Ratio <sup>(1)</sup>	0.67	3.55
Debt to Equity <sup>(2)</sup>	0.08	-
Profitability Ratios		
Return on Asset <sup>(3)</sup>	6%	21%
Return on Equity <sup>(4)</sup>	5%	19%
Asset to Equity Ratio <sup>(5)</sup>	1.16	1.07

<sup>(1)</sup> *Current assets/current liabilities*

<sup>(2)</sup> *Total debt/Average Stockholder's equity*

<sup>(3)</sup> *Total Net Income/Total Average Assets*

<sup>(4)</sup> *Total Net Income/Average Stockholder's equity*

<sup>(5)</sup> *Total asset/Total Stockholder's equity*

## **Year ended December 31, 2021 compared to year ended December 31, 2020 (Restated)**

### **Assets**

*Cash* increased by 56% primarily due to additional net cash flow from operations of the newly acquired properties in 2021.

*Receivables- current* decreased by 44% mainly due to decreased in due from related parties.

*Other current assets* decreased by 34% due to lower input vat classified as current.

*Receivable- noncurrent* increased by 40% due to additional finance lease receivable from leases of NECC with the Company.

*Investment properties* went up by 72% mainly due to the acquisition of the 30<sup>th</sup> development, parcels of land in Laguna Technopark, Vertis Office Towers and Mall, One and Two Evotech, Bacolod Capitol, Bacolod Ayala Northpoint, Makati FGU and Alabang FGU.

*Property and equipment* went up by 2470% due to the acquisition of new office equipment.

*Other noncurrent assets* increased by 65% due to higher input VAT brought by acquisition new assets.

### **Liabilities**

*Short-term loans*, the Company obtained short-term loans from various local banks during the period. The outstanding short-term loans amounting to ₱890 million as of December 31, 2021, pertains to unsecured and interest bearing 30-day loans with average interest rate of 2.11%.

*Current portion of deposits and other liabilities* increased by 468%, mainly due to increase in security deposit and advance rent from the tenants of newly acquired properties.

*Current portion of lease liability* increased by 25%. The total cash outflow related to leases amounted to ₱37.18 million composed of principal payment and interest on lease liabilities.

*Construction bonds*, amounted to ₱58.58 million as of December 31, 2021. This pertains to cash bonds collected from tenants, to be used as a guarantee against damages to properties resulting from the construction, renovation or improvements being undertaken therein.

*Long-term debt*, the Company issued a total of ₱3.00 billion fixed bonds due 2023 at a rate equivalent to 3.0445% p.a. Transaction costs capitalized amounted to ₱42.70 million in 2021. Amortization amounted to ₱0.18 million in 2021 and included under "Other charges".

*Noncurrent portion of deposits and other liabilities*, increased by 79%, mainly due to increase in security deposit and advance rent from the tenants of newly acquired properties.

*Noncurrent portion of lease liability*, increased by 33% due to additional lease liability for the lease agreements entered into by the Company related to land leases of One and Two Evotech and Bacolod Capitol. The rent is payable at a fixed monthly rate, subject to annual escalation rate.

## **Equity**

*Total equity* of ₱48,887.59 million as of December 31, 2021, 49% higher than December 31, 2020 at ₱32,807.75 million, due to increase in paid-up capital from ₱10,929.86 million in 2020 to ₱15,762.41 million in 2021, increase in additional paid-in capital from ₱785.68 million in 2020 to ₱11,333.07 million in 2021 and increase in retained earnings from net income contribution of ₱2,433.27 million for the period, reduced by dividend payments amounting to ₱1,733.36 million.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **For Year Ended December 31, 2021 versus For Year Ended December 31, 2020**

The Company ended a net increase in cash of ₱33.03 million for year ended December 31, 2021, mainly from cash generated from operations contributed by additional properties.

*Net cash flow from operating activities* amounted to ₱2,145.01 million and ₱1,527.34 million for the year ended December 31, 2021 and 2020, respectively. The increase mainly due to higher collections from operations and related security deposits and advance rents of the newly-acquired properties.

*Investing activities* used ₱4,137.57 million and ₱1,827.11 million for the year ended December 31, 2021 and 2020, respectively. Increase was mainly due to acquisition of The30th development and Laguna Technopark lots.

*Financing activities* provided ₱2,025.59 million and ₱236.56 million for the year ended December 31, 2021 and 2020. Mainly from the proceeds from short-term and long-term loans.

*Net increase in cash* as of December 31, 2021 resulted to ₱33.03 million which is ₱96.23 million higher than ₱63.20 million net decrease in cash as of December 31, 2020.

## **Risks**

AREIT, Inc. is highly dependent on the performance of the Philippine property market since all its Properties are located in the Philippines. Thus, the Company is directly affected by the risks that affect the Philippine property market as a whole.

Many factors contribute to fluctuations in the Philippine property market including the general demand and supply of properties which may cause asset price bubbles, increases and decreases in interest rates, inflationary pressures, Government-related real estate policies such as the recent lower loan-to-value ratios for commercial real estate loans and the BSP's tightening of policies related to real estate loans. Any decline in the value of land or real estate in the Philippines may lead to a downward revaluation of AREIT's Properties and a decrease in our rental rates. Additionally, the Properties are currently all located in Metro Manila and Luzon, which subjects AREIT to the risk of a decline in land or real estate values.

There can be no assurance that the Philippine property market will continue to do well. Reduced levels of economic growth, adverse changes in the country's political or security conditions, or weaker performance of, or slowdown in, the national and local property markets may still adversely affect the demand and prices

for real estate. In particular, the global economic downturn resulting from the COVID-19 pandemic has resulted in an economic slowdown and negative business sentiment, which may have an adverse effect on the outlook on the Philippine property market and lead to an adverse change in the Philippines' macroeconomic situation generally, which could materially and adversely affect our results of operations. We cannot foresee when the disruptions of business activities caused by the outbreak of COVID-19 will cease.

Our risk is mitigated by our focus on Grade A commercial buildings located in prime locations. Our Properties are mostly situated in the Makati CBD which is the economic center of the country and boasts the highest rental rates in Metro Manila and in Cebu City, another key city in the country. As such it is less susceptible to market fluctuations. We also believe that the recent positive growth in the Philippine economy will continue. In any event, we also take a prudent approach to financial management and cost control, closely monitoring our capital and cash positions and maintaining discipline in our capital commitments.

Other risks that the company may be exposed to are the following:

- Changes in Philippine and international interest rates
- Changes in the value of the Peso versus other currencies
- Changes in construction material and labor costs, power rates and other costs
- Changes in laws and regulations that apply to the Philippine real estate industry
- Changes in the country's political and economic conditions
- Changes in the country's liquidity and credit exposures

To mitigate the above-mentioned risks, AREIT shall continue to adopt appropriate risk management tools as well as conservative financial and operational controls and policies to manage the various business risks it faces.

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Upon the written request of a stockholder, the Company undertakes to furnish said stockholder with a copy of SEC Form 17-A, free of charge. Any written request for a copy of SEC Form 17- A shall be addressed to the following:

**AREIT, Inc.  
28/F Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue, Makati City 1226**

**Attention: Ms. Ma. Teresa R. Famy  
Treasurer and Chief Finance Officer**

## II. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY

A) Principal Market where the Registrant's Common equity is traded.

### Philippine Stock Exchange Prices (in PHP/share)

	<u>High</u> <u>2023</u>	<u>Low</u> <u>2023</u>	<u>Close</u> <u>2023</u>
First Quarter	32.85	32.25	32.65
Second Quarter	35.35	34.70	34.70
Third Quarter	32.80	32.10	32.80
Fourth Quarter	33.45	33.00	33.40

The market capitalization of AREIT, Inc as of March 15, 2024, based on the closing price of ₱34.80/share, was approximately ₱82.43 billion

The price information as of the close of the latest practicable trading date March 15, 2024 is ₱34.80 per share.

B) Holders

The Company has 27 registered stockholders as of March 15, 2024, and below are the top 20 stockholders:

	<b>Stockholder Name</b>	<b>No. of Common Shares</b>	<b>Percentage (of common shares)</b>
1.	Ayala Land, Inc.	1,003,837,015	42.3809%
2.	PCD Nominee Corporation (Filipino)	901,875,449	38.0762%
3.	Ayalaland Malls, Inc.	287,186,771	12.1247%
4.	PCD Nominee Corporation (Non-Filipino)	82,130,951	3.4657%
5.	Northbeacon Commercial Corporation	55,382,567	2.3438%
6.	Westview Commercial Ventures Corp.	37,443,313	1.5808%
7.	Emily Chua Catienza	175,000	0.0074%
8.	James Esteves Takano	120,000	0.0051%
9.	Beniya Antoinette Chua Catienza	115,000	0.0049%
10.	Group 168 Holdings Corporation	110,000	0.0046%
11.	Aniceto V. Bisnar and/or Ofelia O. Bisnar	109,400	0.0046%
12.	Han-Chun Chang	35,000	0.0015%
13.	NSJS Realty and Development Corp.	25,000	0.0011%
14.	Maria Victoria Romero San Pascual	24,000	0.0010%
15.	Sylvette Young Tankiang	13,100	0.0006%
16.	Alberto B. Guevara Jr. or Alberto F. Guevara III or Isabel F. Guevara	8,000	0.0003%
17.	Ivie Mae Dim Lao	5,000	0.0002%
18.	Mark Louie Apao	3,800	0.0002%
19.	Andres S. Vazquez-Prada	3,200	0.0001%
20.	Mary Therese R. Villanueva	2,800	0.0001%

A list of the company's top 100 stockholders as of December 31, 2023 can be found through this link:

[List of Top 100 Stockholders \(Common Shares\) \(pse.com.ph\)](https://pse.com.ph/list-of-top-100-stockholders-common-shares)

C) Dividends

2023 CASH DIVIDEND		
PER COMMON SHARE	RECORD DATE	PAYMENT DATE

0.42	June 11, 2021	June 25, 2021
0.44	August 26, 2021	September 10, 2021
0.44	October 6, 2021	October 22, 2021
0.47	March 11, 2022	March 25, 2022
0.48	June 2, 2022	June 17, 2022
0.49	August 26, 2022	September 9, 2022
0.49	October 25, 2022	November 10, 2022
0.52	March 10, 2023	March 24, 2023
0.52	May 31, 2023	June 16, 2023
0.53	August 30, 2023	September 13, 2023
0.55	December 1, 2023	December 15, 2023
0.55	March 4, 2024	March 20, 2024

#### Dividend policy

The Company has adopted a dividend policy in accordance with the provisions of the REIT Law, pursuant to which the Company's shareholders are entitled to receive at least 90% of annual Distributable Income for the current year. For 2023, the Company declared total dividends amounting to ₱4,454.57 million representing 90.33% of the Distributable Income for the year 2023.

	2023
Net income	₱5,030,544,039
Unrealized gains:	
Unrealized gain on fair value change in investment properties	(99,254,883)
<b>Distributable Income</b>	<b>₱ 4,931,289,155</b>

For 2023, dividends declared were as follows:

Payment Date	Aggregate Amount Paid
June 16, 2023	915,744,541
September 13, 2023	933,355,012
December 15, 2023	1,302,733,615
March 20, 2024	1,302,733,615
<b>Total Amount of Dividends Paid</b>	<b>4,454,566,783</b>

**% of Dividends to Distributable Income\* 90.33%**

*\*As per Section 10 of Revenue Regulation No. 13-2011, as amended, dividends distributed by a REIT from its distributable income at any time after the close of but not later than the last day of the fifth (5<sup>th</sup>) month from the close of the taxable year, shall be considered as paid on the last day of such taxable year.*

Dividends were declared in accordance with the provisions of Section 42 of the Revised Corporation Code, specifically that dividends for prior years were taken from the unrestricted retained earnings of the Company.

The Company intends to maintain an annual cash dividend payout ratio of at least 90% of Distributable Income for the preceding fiscal year, subject to compliance with the requirements of the REIT Law, including but not limited to the requirement that the dividends shall be payable only from the unrestricted retained earnings as provided for under Section 42 of the Revised Corporation Code, among others, the terms and conditions of our outstanding loan facilities, and the absence of circumstances which may restrict the payment of such amount of dividends, including, but not limited to, instances when there is a need for special reserves for probable contingencies.

The failure to distribute at least 90% of the annual Distributable Income will subject the Company, if such failure remains un-remedied within 30 days, to income tax on the taxable net income as defined in Chapter IV, Title II of the National Internal Revenue Code, as amended, instead of the taxable net income as defined in the REIT Law. Accordingly, dividends distributed by our Company may be disallowed as a deduction for purposes of determining taxable net income. Additionally, other tax incentives granted under the REIT Law may be revoked, and the failure to distribute at least 90% of the annual Distributable Income may be a ground to delist the Company from the PSE.

Over the last three years, the Company has distributed at least 90% of the distributable income.

	<b>Dividends</b>	<b>Distributable Income</b>	<b>% of Dividends</b>
2021	2,042,541,446	2,219,001,086	92.05%
2022	3,118,754,323	3,436,517,020	90.75%
2023	4,454,566,783	4,931,289,156	90.33%

D) Recent Sale of Securities

The Company has not sold or issued any exempt securities to the public.

E) Corporate Governance

i. The evaluation system which was established to measure or determine the level of compliance of the Board and top-level management with its Revised Manual of Corporate Governance includes a Board Performance Assessment which is accomplished by the Board indicating the compliance ratings. The above are submitted to the Compliance Officer. The Integrated Annual Corporate Governance (I-ACGR) of AREIT will be submitted to the SEC on or before May 30, 2024.

ii. To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.

iii. There were no deviations from the Company's Revised Manual of Corporate Governance. The Company has adopted in the Manual of Corporate Governance the leading practices and principles of good corporate governance, and full compliance therewith has been made since the adoption of the Revised Manual.

iv. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.



## ANNEX "D" NATURE AND SCOPE OF BUSINESS

AREIT, Inc. is a real estate company established in the Philippines ("AREIT"). Previously known as One Dela Rosa Property Development, Inc., the Company changed its name to AyalaLand REIT, Inc. on April 12, 2019. On June 28, 2019, the Company changed its name from AyalaLand REIT, Inc. to AREIT, Inc. With its initial public offering in August 13, 2020, AREIT became the first Real Estate Investment Trust (REIT) in the country.

AREIT, Inc. is a REIT formed primarily to own and invest in income-producing commercial portfolio of office, retail, and hotel properties in the Philippines, that meets its investment criteria. Primarily, AREIT will be the commercial REIT platform for Ayala Land. As a commercial REIT, AREIT will focus on expanding its office, mall, and hotel properties. However, if the opportunity arises, AREIT may also explore other types of real estate properties available in the market. AREIT offers Shareholders an investment opportunity with a stable yield, opportunities for Gross Revenue and Net Operating Income growth, high-quality properties with strong tenant demand, strong Sponsor support from Ayala Land, experienced management with incentive to grow our Company's Gross Revenue and Net Operating Income, and distribution of at least 90% of our Company's Distributable Income.

The Company's principal investment strategy is to invest in income-generating real estate that meet a select set of criteria.

As of February 12, 2024, the Company's recurring income portfolio consists of nine hundred eighteen thousand in gross leasable area totaling ₱87.2 billion in AUM. The land on which the commercial buildings are built do not form part of the Company's asset portfolio and is not owned by the Company.

- **Solaris One**, a 24-storey, Grade A, PEZA-accredited commercial building previously known as E-Services 3 Dela Rosa Building, which was completed in 2008, contains 46,767.95 sqm. of and is located at 130 Dela Rosa Street, Legaspi Village, Makati City, the Philippines.
- **Ayala North Exchange**, a Grade A, mixed-use development, previously known as project City Gate, which consists of two towers situated on top of a 3-storey retail podium as well as a collection of serviced apartments branded as Seda Residences Makati. The first tower is a 30-storey building consisting of 12-storey HQ Office, with the remaining 18-storeys housing Seda Residences Makati composed of 293 serviced apartments, other amenities and the back-of-house area. The second tower is a 20-storey, PEZA-accredited BPO Office designed for 24/7 operations. There are six levels of basement parking. Both office towers are PEZA-accredited. The HQ Office space was completed in late-2018, while the BPO Office and serviced apartments were completed in the first and third quarters of 2019, respectively. The GLA of Ayala North Exchange is 95,300.35 sqm. It is located at 6796 Ayala Avenue corner Salcedo Street, Legaspi Village, Makati City, the Philippines.
- **McKinley Exchange**, a 5-storey Grade A, PEZA-accredited mixed-use development, which began operations in 2015, with GLA of 10,687.50 sq. m., 9,633.32 sqm. of which is designated for commercial office leasing, located along McKinley Road corner EDSA in Makati, Metro Manila's preeminent financial business district. The building also incorporates two (2) basement levels for car parking, offering a total of 120 parking slots. On January 31, 2020, AREIT entered into a Contract of Lease with the Sponsor for the lease of the office and retail building.
- **Teleperformance Cebu**, a Grade A, mixed-use development owned by APRC, a wholly-owned Subsidiary of Ayala Land, which consists of two PEZA-accredited BPO offices, completed in 2011 with a combined GLA of 18,092.66 sqm located at Inez Villa Street, Cebu I.T. Park, Brgy. Apas, Cebu City.
- **The 30<sup>th</sup> Commercial Development**, located along Meralco Avenue in Pasig City, is a commercial building with a total GLA of 74,704 sqm composed of a 19-storey office tower with a GLA of 47,871 sqm and a 4-storey retail podium with a GLA of 26,833 sqm.
- **Laguna Technopark Industrial Lots**, totaling 98,179 sqm, AREIT owns four parcels of industrial land located in Binan, Laguna, currently occupied by Integrated Micro-Electronics Inc. (IMI), under a long-term lease for its global manufacturing and technology solutions.
- **Vertis North Commercial Development**, a mixed-use development located in North Avenue, North

Triangle, Quezon City, which consists of three (3) office towers situated on top a four (4)-storey retail podium known as Vertis North Commercial Development. The three (3) office towers consist of 19, 20, and 20-storeys, respectively. All office towers are Philippine Economic Zone Authority (“PEZA”)-accredited business process outsourcing offices designed for 24/7 operations, and are Leadership in Energy and Environmental Design (“LEED”)-certified. There are four (4) levels of basement parking. The retail podium was completed in 2017, while the office towers 1, 2, and 3 were completed in 2018, 2018, and 2019, respectively. The GLA of the retail podium is 39,305.76 square meters (sq. m.), while the office towers are composed of 125,507.39 sq. m. of GLA. The land on which Vertis North Corporate Center stands is being leased from Ayala Land, Inc.

- **One Evotech**, a four (4)-storey PEZA-accredited, LEED Silver Certified, campus type, BPO office designed for 24/7 operations, with a gross leasable area of 12,049 sq. m., located at the Lakeside Evozone, Nuvali, Sta. Rosa, Laguna. The land on which One Evotech stands is owned by the Ceci Realty, Inc., an affiliate of ALI, and is leased by AREIT with a remaining term of 37 years.
- **Two Evotech**, a 5-storey PEZA-accredited, BPO office designed for 24/7 operations, with with a gross leasable area of 11,675 sq.m., located at the Lakeside Evozone, Nuvali, Sta. Rosa, Laguna. The land on which One Evotech stands is owned by the Ceci Realty, Inc., an affiliate of ALI, and is leased by AREIT for a remaining term of 37 years.
- **Bacolod Capitol Corporate Center**, a seven (7)-storey PEZA-accredited BPO building designed for 24/7 operations, with a gross leasable area of 11,313 sq. m. The land on which Bacolod Capitol Corporate Center stands is owned by the Province of Negros Occidental, and is leased by AREIT from the Province of Negros Occidental with a remaining term of 40 years.
- **Ayala Northpoint Technohub**, a two (2)-storey PEZA-accredited BPO office facility designed for 24/7 operations with a gross leasable area of 4,653 sq.m., The site is located at The District North Point, Barangay Zone 15, Talisay City, Negros Occidental. and is under a land lease agreement with ALI with a remaining term of 37 years.
- **BPI-Philam Life Makati**, composed of three (3) office condominium units with a gross leasable area of 1,072 sq.m. located at the 19th floor, Ayala Life FGU Center, 6811 Ayala Avenue, Makati City. The land on which the building stands is owned by the Ayala Life FGU Center Condominium Corporation.
- **BPI-Philam Life Alabang**, consists of six (6) office condominium units with total leasable area of 551 sq. m. located at the 7th floor of BPI-Philam Life Alabang, Alabang-Zapote Road corner Acacia Avenue, Madrigal Business Park, Muntinlupa City. The land on which the building stands is owned by the Ayala Life-FGU Center Alabang Condominium Corporation.
- **eBloc 1**, a twelve (12)-level, Philippine Economic Zone Authority (“PEZA”)-accredited office development completed in 2009, with gross leasable area of 20,841.90 sq.m. located along Jose Ma. del Mar Street, Cebu, IT Park. The land on which the building stands is owned by Ayala Land, Inc.
- **eBloc 2**, a seventeen (17)-level, PEZA-accredited office development completed in 2011 with gross leasable area of 27,727.33 sq.m. located along W. Geonzon Street, Cebu, IT Park. The land on which the building stands is owned by Ayala Land, Inc.
- **eBloc 3**, a twelve (12)-level, PEZA-accredited office development completed in 2014 with gross leasable area of 15,233.00 sq.m. located along W. Geonzon Street, Cebu, IT Park. The land on which the building stands is owned by Ayala Land, Inc.
- **eBloc 4**, a twelve (12)-level, PEZA-accredited office development completed in 2015 with gross leasable area of 16,166.63 sq.m. located along Jose Ma. del Mar Street, Cebu, IT Park. The land on which the building stands is owned by Ayala Land, Inc.
- **ACC Tower**, a twenty (20)-level, PEZA-accredited mixed-use development completed in 2016 with gross leasable area of 27,517.00 sq.m. located along Bohol Avenue, Ayala Center Cebu, Cebu Business Park, Brgy. Mabolo, Cebu City. The land on which the building stands is owned by Ayala Land, Inc.
- **Tech Tower 1**, a twelve (12)-level, PEZA-accredited office development completed in 2018 with gross

leasable area of 16,812.74 sq.m. located along Sumilon corner Camiguin Roads, Cebu City. The land on which the building stands is owned by Ayala Land, Inc.

- ***Glorietta 1 and 2 Mall Wings***, a four (4)-storey commercial development with three (3) basement floors and equipment, redeveloped in 2013, located in Makati Commercial Center, San Lorenzo Village, Makati City with a gross floor area of [68,673.84] sq. m. The land on which the building stands is owned by Ayala Land, Inc.
- ***Glorietta BPO 1 and 2***, a Philippine Economic Zone Authority (PEZA)-accredited office development composed of two (2) BPO buildings, Glorietta BPO 1 with seven (7) storeys and Glorietta BPO 2 with eight (8) storeys, and equipment located within the Makati Commercial Center, San Lorenzo Village, Makati City with a gross floor area of 60,632.84 sq. m. The land on which the building stands is owned by Ayala Land, Inc.
- ***One Ayala East Tower***, a twenty-three (23)-level, PEZA-accredited office development and equipment, located along Ayala corner Epifanio delos Santos (EDSA) Avenues, Barangay San Lorenzo, Makati City, with a gross floor area of 58,351.01 sq. m. The land on which the building stands is owned by Ayala Land, Inc.
- ***One Ayala West Tower***, an eighteen (18)-level, PEZA-accredited office development and equipment, located along Ayala corner Epifanio delos Santos (EDSA) Avenues, Barangay San Lorenzo, Makati City, with a gross floor area of 59,014.91 sq. m. The land on which the building stands is owned by Ayala Land, Inc.
- ***Marquee Mall***, a three (3)-level, commercial development and equipment, located along Francisco G. Nepo Avenue, Angeles City, Pampanga with a gross floor area of 66,041.04 sq. m. The land on which the building stands is owned by Northbeacon Commercial Corp.
- ***Seda Lio***, a one hundred fifty-three (153)-room resort-hotel with a total gross floor area of 17,680 square meters (sq.m.) and the surrounding amenities. The land on which the resort-hotel stands is owned by Econorth Hotel Ventures, Inc.